SUPPLEMENT TO

The Mysore Gazette.

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Abstract Proceedings of the Mysore Legislative Council.

The Council met in the Central Hall, Public Offices Buildings, Bangalore, on Monday, the 29th June 1914, at 12 noon.

PRESENT.

M. VISVESVARAYA, ESQ., B.A., L.C.E., M.INST. C.E., C.I.E., Dewan (Presiding).

Ex-officio Members.

1. RAJAMANTRAPRAVINA H. V. NANJUNDAYYA, ESQ., M.A., M.L., C.I.E. First Member of Council.
2. M. KANTARAJ URS, ESQ., B.A., C.S.I., Second Member of Council

Additional Members.

Official.

1. K. S. DORASWAMI IYER, ESQ.
2. DEWAN BAHADUR J. S. CHAKRAVARTI, ESQ., M.A., F.R.A.S.
3. DEWAN BAHADUR C. SRIKANTESVARA AIYAR, ESQ., B.A., B.L.
4. RAO BAHADUR M. SHAMA RAO, ESQ., M.A.
5. P. RAGHAVENDRA RAO, ESQ., B.A., B.L.
6. K. R. SRINIVASIENGAR, ESQ., M.A.
7. B. J. KUMARASWAMY NAIK, ESQ., B.A.
8. C. S. DORASWAMI IYER, ESQ., B.A., B.L.

Non-official.

1. RAJAMANTRAPRAVINA DEWAN BAHADUR C. SREENIVASIENGAR, ESQ.
2. RAJASABHABHUSHANA DEWAN BAHADUR K. P. PUTTANNA CHETTY, ESQ.
3. SYED AMIR HASSAN, ESQ.
4. S. SEETARAMAYYA, ESQ.
5. M. VENKATAKRISHNAYYA, ESQ.
6. M. KARNICK KRISHNAMURTHI RAO, ESQ.
7. B. NARASINGA RAO, ESQ.
8. S. R. BALAKRISHNA RAO, ESQ., B.A., LL.B.
9. B. K. GARUDACHAR, ESQ.
10. S. VENKATESAIYA, ESQ., B.A., B.L.
11. B. VENKATASHAMANNA, ESQ., B.A., B.L.
12. K. SHANKARANARAYANA RAO, ESQ., M.A., B.L.

ABSENT.

Non-official.

RAJAKARYAPRAVINA RAO BAHADUR A. RANGASWAMI IYENGAR, ESQ., B.A., B.L.

S. P. RAJAGOPALACHARI, ESQ. (Secretary).

THE DEWAN.—Gentlemen, before we proceed with the business of this meeting it will be convenient to refer to the procedure which we propose to follow, with your consent, as regards the introduction and discussion of the Budget. At the close of this day's proceedings, the Financial Secretary will introduce the Budget with an explanatory speech and copies of the speech as well as of the detailed Budget Estimates will be placed in your hands. Two days' time will be given to the members for studying these papers and we propose to adjourn till 12 noon on Thursday, the 2nd July 1914, for the discussion of the Budget.

It will be a good thing if members take the opportunity to explain the needs and wants of their Districts and to state what they expect Government to do and how far people would be willing and able to co-operate. The official members may with advantage take the opportunity to explain the several measures of development undertaken in their respective departments. The Financial Secretary and the Members of Government will reply to the points raised in the discussions.

I also think that in view of the continuous holding off of the rains, members may perhaps like to offer suggestions as to what they wish Government to do if the present drought deepens into scarcity.

MR. KARNIK KRISHNAMURTHI RAO and some of the other members represented that two days' time to study the Budget was not enough and requested that a week's time might be allowed. The Dewan agreed and announced that the discussion would be taken up on Tuesday the 7th July.

The Secretary's Report to the Council.

The Secretary reported to the Council:—

(1) that the following Bills received the assent of His Highness the Maharaja on the dates noted against them:—

(a) The Bill further to amend the Mysore Court Fees Regulation, 1900,—19th May 1914,

(b) The Bill to further amend the Mysore Local Boards Regulation, 1902,—19th May 1914,

(c) The Probate and Administration Bill,—22nd May 1914; and

(2) that Mr. B. J. Kumaraswamy Naik took his seat as an additional member of the Council.

Questions and answers.

MR. B. NARASINGA RAO asked.—

1. With reference to the answers given to questions 1 and 7 at the meeting on the 14th April last, the Government may be pleased to make a statement on the following points:—

(a) After the retrenchments were effected in the various departments noted in the statements, furnished by the Secretary to Government of His Highness the Maharaja of Mysore, General and Revenue Departments, what additional expenditure has been sanctioned annually in each of those departments.

(b) If additional staff have been employed in those departments, what is the nature of the addition in the shape of gazetted officers, clerical establishment and menial staff?

MR. J. S. CHAKRAVARTI replied.—

(a) and (b)—Collection of information in the form in which it is wanted by the Member will take some time. A statement will be prepared and supplied.

MR. B. NARASINGA RAO asked.—

2. (a) Has the attention of the Government been drawn to an article in the *Indian Patriot*, dated 22nd April 1914, at page 3 (a portion of that article is culled out and published in the *Karnataka* in its issue dated 25th April 1914), to the effect—

that the Amildar of Chikballapur kept nine persons in lock-up for nine months without enquiry and they were tried and discharged afterwards?

(b) Are the said allegations substantially true?

(c) If so, will the Government be pleased to state what action has been taken in regard to the conduct of the officer responsible for the detention of nine persons for a period of nine months without enquiry?

MR. H. V. NANJUNDAYYA replied.—

(a) Government have now perused the articles in question.

(b) Seven accused persons—not 9 as published in the papers—were arrested by the Police on various dates in May 1913 and placed before the Amildar Magistrate of Chikballapur for trial on the 9th June 1913. On the 29th January 1914, the Magistrate convicted five of the accused under Section 457—109, 456 or 411 and 411, Indian Penal Code, and sentenced them to imprisonment and fine and discharged the other two. The conviction and sentence passed on the five accused were set aside on appeal by the District Magistrate on 9th March 1914 on the ground of irregularity in the trial.

(c) The records of the case have recently been examined by the Chief Court as to the correctness of the final order; but they saw no reason to take any special notice of the case.

MR. B. NARASINGA RAO asked.—

3. Will the Government be pleased to make a statement on the following:—

(a) What are all the Government offices or schools held in private buildings in Bangalore?

(b) What rent is being paid for those buildings every month and since how long?

(c) How many bungalows or buildings in Bangalore belonging to Government remain unoccupied?

MR. J. S. CHAKRAVARTI replied.—

(a) and (b)—Two statements giving the necessary particulars are laid on the table.*

(c) No Government buildings remain unoccupied.

MR. B. VENKATASHAMANNA asked.—

4. That the Government be pleased to state:—

(a) the distinction that underlies the division of tanks under major and minor heads;

(b) the number of major and minor tanks, constructed, repaired or otherwise improved during the last five years;

(c) the area estimated to be brought under cultivation under major tanks and the actual area of land under cultivation now; and

(d) the number of minor tanks whose repairs or improvements had to be suspended for want of funds during those abovesaid five years.

MR. M. KANTARAJ URS replied.—

(a) Major tanks are those yielding a revenue of over Rs. 300 a year and the rest, *i.e.*, those yielding a revenue of Rs. 300 and less, are designated minor tanks.

(b) A statement giving the information is placed on the Council table.†

(c) The information is not readily available and it will take much time and trouble to compile it. Government do not think that any useful purpose will be served by collecting the elaborate statistics required. If this information is required for any particular tanks, every endeavour will be made to furnish it.

(d) It is difficult to answer this question without elaborate enquiries.

MR. B. VENKATASHAMANNA asked.—

5. That the Government be pleased to state:—

(a) the amount that has been given for the improvement of the Cities of Bangalore and Mysore during the last ten years from the State revenue;

(b) and the amount that has been granted to other District Headquarters during the same period for their improvement.

MR. M. KANTARAJ URS replied.—

(a) and (b)—A statement giving the available information is laid on the Council table.‡

MR. B. K. GARUDACHAR asked.—

6. (a) Will the Government be pleased to state if an executive order has issued directing that Mr. V. Abboy Naidu, Superintendent of the Lunatic Asylum, should not have any private practice?

(b) If it is so, will the Government be pleased to lay down on the table the papers which led to the issue of the above order?

* Printed as Appendix D. † Printed as Appendix E. ‡ Printed as Appendix F.

(c) Are the Government aware that Mr. Abboy Naidu is the only Medical Officer in Mysore who has had a good training in mental diseases, and that the present order prohibiting him from private practice deprives the public of Bangalore and, in fact, of the State, of the benefit of Mr. Abboy Naidu's advice?

(d) Will the Government be pleased to reconsider and revise the order referred to?

MR. M. KANTARAJ URS replied.—

(a) The answer is in the affirmative.

(b) Government do not consider it expedient to lay the papers on the table. A copy of the Government order is however furnished.

(c) There are other officers in service who have practical experience in the treatment of mental diseases.

(d) Government do not see at present sufficient reason to reconsider the order.

MR. B. K. GARUDACHAR asked.—

7. (a) Will the Government be pleased to state from what year the vend rental of country spirit in the Kolar Gold Fields area has been more than the margin of profit allowed?

(b) If this state of affairs has continued to exist from a long time, will the Government be pleased to explain how this is allowed to go on, inasmuch as it is evident that either the shopkeeper is having a loss, year after year, or the public are systematically defrauded?

(c) Have the Government thought of remedying this unsatisfactory state of things?

MR. M. KANTARAJ URS replied.—

(a) This was first noticed in 1905-06.

(b) Special measures are in force in the area concerned for the prevention of fraud such as (1) a strong detective force, (2) introduction of special dram cups calculated to render short measurement difficult and (3) location of two check shops for selling arrack in bottles sealed in the Central Distillery.

Various explanations are offered for the phenomenon, of which the most important is the peculiarity of conditions of labour in the Kolar Gold Fields which act as an inducement to arrack contractors to adhere to their profession even at a loss in order to act as money-lenders and general purveyors to the cooly population.

(c) The remedy lies chiefly with the contractors. The matter has, however, been engaging the consideration of Government.

MR. S. VENKATESAIYA asked.—

8. (a) Will the Government be pleased to state what progress has been made with regard to the proposal of a Railway from Hassan to Mangalore?

(b) Will the Government, before taking final action, be pleased to consider the advisability of adopting the metre gauge for the line?

MR. H. V. NANJUNDAYYA replied.—

(a) The proposal is under correspondence with the Government of India.

(b) The question is under the consideration of Government.

MR. S. VENKATESAIYA asked.—

9. (a) Will the Government be pleased to state the nature and extent of the late reported accident in the Kolar Gold Mines described as "air blasts" and the casualties therefrom?

(b) What are the precautions usually taken for protection of life against such accidents, and had such precautions been adopted at the scene of the late accident?

(c) When did the last accident of a similar nature occur in the locality?

(*d*) After the previous accident were any additional precautions taken to protect life, and, if so, what precautions?

(*e*) Is there any provision by which the owners of the mines may be required to make provision for the families of the unfortunate victims of such accidents?

MR. H. V. NANJUNDAYYA replied.—

(*a*) It is believed that the accident referred to is one which occurred on the 5th June 1914, in Tennant Section of the Mysore Mine, in which three persons were killed and three others received injuries classed as serious. The accident occurred in a stope and was due to the bursting of some rock from the hanging wall or roof of the stope which is about 5 feet wide.

(*b*) The precautions adopted include the supporting of the roof, partly by filling with waste rock and partly by timbers and planking. In the accident in question, the timbers were within 8 feet of the working face and within 4 feet of the place from which the rock burst. The timbers showed no signs of pressure or disturbance. Closer timbering is impracticable and no further precautions are considered to be possible.

(*c*) and (*d*) No similar accident is known to have occurred previously in this particular locality.

(*e*) There is no statutory provision; but the individual companies have voluntarily adopted certain schemes for compensation in cases of injury or death. For sometime past, the question of placing these schemes on a uniform basis has been under discussion between Government and the Kolar Gold Fields Mining Board and an early decision may be expected.

MR. S. R. BALAKRISHNA RAO asked.—

10. (*a*) Will the Government be pleased to state whether any and what steps are taken to re-establish the Shimoga College?

(*b*) If not, when will the Government be pleased to establish one?

(*c*) In view of the fact that a large number of Mysore students are seeking education in the Bombay University of late, will the Government be pleased to consider the question of affording facilities to such students as intend prosecuting their studies at that University, by getting the High Schools at Shimoga and Chitaldrug recognized by the said University?

MR. H. V. NANJUNDAYYA replied.—

(*a*) (*b*) and (*c*) The question will be considered as soon as a decision is reached in regard to the scheme for a University for Mysore.

MR. S. R. BALAKRISHNA RAO asked.—

11. (*a*) Are the Government aware that in the revenue courts and offices suits, appeals and miscellaneous applications and darkhasts take an inordinate length of time for disposal?

(*b*) To avoid this proverbial delay and to exercise a check on the growing tendency to delay revenue proceedings, will the Government be pleased to consider the advisability of fixing varying periods for the disposal of revenue cases, as is the case in judicial matters and of insisting on the furnishing of periodical returns of cases with explanations for delay?

MR. M. KANTARAJ URS replied.—

(*a*) If the member will kindly specify instances, inquiries will be made by Government.

(*b*) Certain checks already exist against delay in the disposal of revenue business. The matter is receiving the further consideration of Government.

A Bill to ammend the Code of Criminal Procedure, 1904.

MR. H. V. NANJUNDAYYA.—Sir, In moving for leave to introduce a Bill to amend the Code of Criminal Procedure, 1904, I beg to state that the Bill has been drafted on the recommendation of the Chief Court and it brings the Criminal Procedure Code into conformity with that in force in British India in regard to the summary trial of offences under Sections 453 and 454 of the Indian Penal Code. Offences under Sections 456 and 457 being already included within the provision, there is no valid reason to exclude these offences which are of a less serious character. I therefore beg leave to introduce the Bill.

MR. C. SRIKANTESVARA AIYAR seconded the motion.

The motion was put to vote and passed.

The Bill further to amend the Local Boards Regulation, 1902.

MR. M. KANTARAJ URS.—Sir, I beg to move that the Bill further to amend the Local Boards Regulation, 1902, be read in Council. Leave to introduce the Bill was granted at the last meeting and it has been published in the Gazette and copies have been sent to all the members. The object of the Bill is to authorise the levy of an independent shop tax in Unions so as to augment the finances of the Unions to enable them to give sufficient attention to the execution of useful public works and the improvement of sanitation and water-supply.

MR. K. R. SRINIVASIENGAR seconded it.

The motion was put to vote and passed.

MR. M. KANTARAJ URS next moved that the Bill be referred to a Select Committee consisting of Messrs. C. Srinivasiengar, K. P. Puttanna Chetty, K. R. Srinivasiengar, B. Narasinga Rao and the mover.

MR. K. R. SRINIVASIENGAR seconded it.

The motion was put to vote and passed.

The Bill further to amend the Mysore Municipal Regulation, 1906.

MR. M. KANTARAJ URS.—Sir, I now beg to move that the Bill to further amend the Mysore Municipal Regulation, 1906, be passed. The Bill as amended by the Select Committee was considered and adopted at the last meeting. It now only remains to pass it.

MR. K. P. PUTTANNA CHETTY seconded it.

The motion was put to vote and passed.

The Bill further to amend the Code of Civil Procedure, 1911.

MR. H. V. NANJUNDAYYA.—Sir, in moving that the rules of business be suspended and the report of the Select Committee on the Bill further to amend the Code of Civil Procedure, 1911, together with the Bill as amended by them be taken into consideration, I may remind the members that the Bill was referred to a Select Committee at the last meeting of the council. The Select Committee considered the Bill and adopted it with very slight amendments. The only material alteration is the substitution of a new sub-clause for sub-clause (4). The Bill as amended by the Select Committee reads as follows:—

"Whereas, it is expedient further to amend the Code of Civil Procedure, 1911; His Highness the Maharaja is pleased to enact as follows:—

Addition of a new section as Section 54 A.

The following new section shall be added after Section 54 of the Regulation as Section 54 A:—

'54 A (1) Where a Civil Court passes a decree for the partition of a building situate within the limits of a Municipality to which the provisions of this section have been declared by Government by a notification in the official Gazette to apply, the partition shall be made by the President of the Municipality in accordance with the law for the time being in force for the execution of such decrees.

(2) It shall be competent for the President executing such decrees to exercise the powers conferred on courts by Sections 2 and 3 of the Partition Regulation, III of 1913, notwithstanding that the shareholders or any of them have not applied for a sale of the property.

(3) In executing a decree under this section, the President of the Municipality shall be deemed to be acting judicially.

(4) Orders passed by the President under this Regulation shall be subject to appeal or revision in the same manner and to or by the same court as similar orders made by the court which passed the decree.'"

Rule 46 of the Rules for the conduct of business of the Legislative Council requires that the reports of the Select Committees should be published and sent to each member at least fifteen clear days before it is taken into consideration by the Council. But in this case the report of the Select Committee could not be placed in the hands of the members within the prescribed time and as another meeting of the council is not likely to be held in the very near future and the Bill is not a very important one, I am of opinion that the rules of business be suspended and the Bill taken into consideration at once.

MR. C. S. DORASWAMI IYER seconded the motion.

MR. S. VENKATESIAH.—Sir, though I have no remarks to offer on the report of the Select Committee I have to oppose the motion as I do not think it is desirable to suspend the rules of business. The rules of business have been framed so as to prevent hasty legislation and no satisfactory reason has been adduced to show why these safe guards provided in the rules should be ignored. Moreover, the Bill is not such a very urgent or important piece of legislation as to necessitate its being rushed through. As regards the remark made by the learned mover that the next meeting of the Legislative Council may not be held in the near future I desire to state that it is very desirable to hold meetings of this council very often especially as such an arrangement would give greater opportunities for the members to interpellate Government and elicit information on matters touching the welfare of the public. I therefore beg to oppose the motion.

MR. S. VENKATASHAMANNA.—Sir, I also rise to oppose the motion. There is no necessity for suspending the rules of business. The Bill may be taken up at the next meeting.

MR. C. SREENIVASIENGAR.—Sir, at the last meeting a motion to suspend the rules of business and to take up the Bill once for all without referring it to a Select Committee was made but at the request of some of the members it was referred to a Select Committee. The Select Committee have made very few alterations and I do not therefore think it necessary to adjourn its consideration for another meeting. I therefore support the motion.

MR. C. S. DORASWAMI IYER.—Sir, I also support the motion. This is a very small measure and is not one that need be postponed.

MR. H. V. NANJUNDAYYA.—Sir, I quite appreciate the anxiety of the honourable members to safeguard the rules. After all, the motion is not such a formidable one as it is represented to be. The rule regarding fifteen days' notice is a technical one and need not be enforced strictly. The Bill is a very simple one and if there is any opposition to be expected as regards the principles of the Bill, I would be the last person to propose such a motion. Nothing would be lost by going on with the measure.

The motion was put to vote and passed.

MR. C. SREENIVASIENGAR.—Sir, I have a slight verbal amendment to propose in the Bill. As I was absent from the meeting of the Select Committee, I could not

propose it then. In sub-clause (1) in the Bill the expression "President of the Municipality" is used whereas throughout the Mysore Municipal Regulation, 1906, the expression used is "President of the Municipal Council." I therefore propose that the words "Municipal Council" be substituted for the word "Municipality" occurring in the expression "President of the Municipality" in sub-clause (1) of the Bill.

MR. C. S. DORASWAMI IYER seconded it.

The motion was put to the vote and carried.

MR. H. V. NANJUNDAYYA.—Sir, I now beg to move that the Bill be taken up and passed at subsequent meeting of the council.

Mr. C. S. DORASWAMI IYER seconded it.

The motion was put to vote and passed.

Financial Secretary's Speech introducing the Budget Estimates for 1914-15 in the Legislative Council.

(*N.B.*—Unless otherwise expressed, figures are to be understood as meaning thousands of rupees.)

MR. J. S. CHAKRAVARTI.—Sir, with your permission I rise to present to this Council the provisional budget of the Government of His Highness the Maharaja of Mysore for the year commencing 1st July 1914. In performing this pleasant duty, which I also regard as a high privilege, I cannot but refer to the fact that the practice of preparing an introductory memorandum to the annual State budget explaining its salient features and of publishing the budget with that memorandum in the Government Gazette for the information of the public was introduced with effect from the year 1909-10. There can be little doubt that this practice has led, in a great measure, to the dissemination of correct ideas about the financial measures of Government amongst the general public. The amendment to the Mysore Legislative Council Regulation sanctioned by His Highness the Maharaja this year, by which the discussion of the annual budget is brought within the scope of business of this council, is a further step in the direction of bringing the financial policy of the State into close touch with popular views and aspirations.

2. There will be no discussion on the budget to-day. A printed copy of the budget and all connected papers will be given to each member. I think, sir, you intend fixing Tuesday, the 7th July 1914, as the day of budget discussion. On that day a meeting of this council will be held when each member will be at liberty to offer any observations he may wish to make on the budget. In the meantime, if any member wants further explanation in respect of any figures or requires additional details as regards any of the heads in the budget, every endeavour will be made by the Finance department to satisfy his requirements. By this means it is hoped to utilize the time available for discussion in council to the best advantage in considering important questions of general financial policy, rather than details of figures, explanations regarding which can be given to individual members without taking up the time of the council as a whole. After discussion by this council, the budget will again be considered by Government in the light of suggestions that may be put forward by the members, and it will then be submitted to His Highness the Maharaja for final sanction.

3. In deciding the figures to be adopted for the budget estimate of the ensuing year, we have naturally to take as the most important guide the revenue and expenditure figures for the current year. The figures for the last year are also useful for comparison. The budget placed before the council therefore contains under each head the figures for 1912-13, as per accounts finally closed, the revised estimates for 1913-14, prepared on the basis of eight or nine months' actuals, and the proposed estimates for 1914-15. Of these three sets of figures, those relating to the closed accounts of 1912-13, were published and reviewed in detail in the Appropriation Report appended to the *Mysore Gazette*, dated the 28th May 1914. I flatter myself with the hope that this document has found eager and attentive readers amongst the members of a body newly vested with financial functions and anxious to discharge them. The revised estimates for the current year are therefore the first thing to demand our attention to-day. The study of these figures

will show to what extent our expectations about revenue and expenditure formed about this time last year have been realized and how far they have to be modified on account of circumstances which could not be foreseen at that time. When we have thus studied the trend and the result of the financial forces operating within the State up to date in connection with the revised estimates, we shall be in a position to proceed to the more important part of our day's work, *viz.*, the consideration of the financial programme for the ensuing year.

Changes in budget heads.

4. But before proceeding to consider the estimates, I shall briefly refer to a few important changes in connection with the form and substance of our financial statement which it is proposed henceforth to adopt. The first set of changes relates to the heads of account and consists of the opening of some new major heads, both on the receipt and on the expenditure side of the budget and I shall mention some of them. The separate major heads "*Profit or Loss*," both on the receipt and expenditure sides, under which the income from State nvestments and the income-tax paid thereon were respectively recorded, have been done away with by amalgamation with the head *Interest*, as the transanctions recorded under both are essentially of a similar nature. The recent expansion and development of the department of Agriculture make it desirable to record the transactions of that department under a separate major head instead of relegating them to an obscure subsidiary head under Minor Departments. As long as the department was one chiefly of agricultural chemistry, as was the case at its inception in 1898-99, or one primarily concerned with mycology and entomology, as it was since 1907-08, there was some justification for the old classification which regarded the department as one of pure scientific investigation as distinguished from executive action on a large scale. But with the creation of a regular department of Agriculture with a full staff and a budget well over 2 lakhs, the department may well claim to be released from its minority. For similar reasons and also to indicate more appropriately the position which the departments occupy in the present policy of Government, *Sanitation* and *Industries and Commerce* have been elevated to the rank of major heads.

5. Owing to the development of railway activities and the variety of financial interests involved in the several lines, the few heads already existing in our railway accounts are no longer sufficient, and it has been found necessary to amplify them. The several charges on account of assignments and compensations such as malnad land inam payments, compensation to the Sringeri jahgir for the abolition of the *halat* and refund of Excise revenue to inamdars, etc., are now scattered under several major heads in our accounts. The peculiar and important nature of these changes renders it desirable to adopt the system followed in British India of bringing together all these charges under a separate major head. Lastly, with the introduction of the village improvement scheme and the resolution of Government to provide at least Rs. 2 lakhs every year for some time to come as grant-in-aid to the village funds, a new head has been opened in the debt head portion of our accounts to record the receipts and disbursements in our treasuries in connection with these funds.

Changes in form and scope of the financial statement.

6. The foregoing changes refer to the heads of our Financial statement and budget. I shall now refer to a somewhat important change in their scope and form. Hitherto the budget estimates published in the Gazette related only to the service heads. The estimate under the debt and deposit heads with the Ways and Means note was separately considered by Government and was not published. Henceforth it is proposed to publish the financial statement in two parts. The first part will consist of the service heads from which, however, transactions relating to extraordinary items of capital outlay will be excluded and which will work up to a surplus or deficit for the year. The second part will show the extraordinary capital outlay and the result of the debt and deposit transactions and work up from the opening to the closing balance. By this means all the financial transactions of the state will be included in the statement presented to this council, whether they relate to real income and expenditure or whether they represent merely receipt or disbursement not affecting the net assets or the net liabilities of Government.

7. The extraordinary items which have been transferred to the second part of the financial statement are those relating to the Cauvery reservoir project, construction of new railway lines, the fourth installation of the Cauvery power scheme, and the Bangalore tramways. All other items of capital outlay *e.g.*, the outlay on other original works in the public works and electric departments and the capital expenditure on open lines of railway, are retained in the first part. The question as to how far the current revenues of Mysore, including the Mining and Cauvery scheme revenues, should be made to contribute towards capital expenditure, is one of great importance in the financial policy of the State and is receiving the most careful consideration. If it is found on mature consideration that the first part of the financial statement, which is intended to include the current revenues of the year and the charges fairly debitable to them, should be relieved of any item of capital expenditure now included in it, such item will in future be transferred to the second part of the statement. If, on the other hand, it is considered reasonable that the revenues from the mines or any other item of receipt should not in fairness be wholly regarded as ordinary revenue available for current expenditure, steps will be taken to earmark such portion and see that it is properly reserved for capital outlay.

Budget factors in Mysore and elsewhere.

8. In Mysore, as in India generally and in other countries in a similar stage of economic development, it is the revenue side which determines the character of the budget as far as service heads are concerned. In more advanced countries, the expenditure programme for the year is first settled, and the revenue heads, most of which are fairly elastic, are adjusted so as to bring in the necessary amount. But here the revenue system is comparatively rigid in respect of most of the heads and it is impracticable or undesirable to adjust them from year to year. The expenditure side of the budget under service heads has therefore to adapt itself to the revenue estimates. The estimates of revenue in their turn are chiefly determined by the conditions of agriculture and trade which are expected to prevail, as the third principal factor affecting the financial situation of Government, *viz.*, non-agricultural industries, has not yet assumed sufficient importance in India. Of the two essential factors of revenue prospects, *viz.*, trade and agriculture, the course of trade again depends in India, in a great measure, on the state of agricultural operations, for these operations supply most of the exports of commerce and the wealth with which the imports are bought. The character of a year's budget in an Indian province or state is therefore chiefly determined by the prospects of agriculture, and these in their turn depend on the amount and occurrence of rainfall in relation to the needs of the staple crops. It thus happens that the seasonal conditions form the keynote of every financial statement in India. In this respect the situation has not materially changed since the dim and distant days when the Vedic Rishis used to chant their hymns to the God of rain and pray "Give, O Indra, food and drink to the hungry."

9. The case is somewhat different in respect of that portion of the budget which relates to capital expenditure on productive works such as irrigation, railway construction and other state undertakings of a commercial character. In respect of such heads the determining factors should be the requirements of the country in the matter of material and moral advancement of the people and the extent to which funds can be made available during the year for meeting such requirements by loans in the open market or otherwise. Generally speaking, for works of this nature, it is more economical and advantageous to have a comprehensive programme extending over several years and execute that programme systematically as far as practicable, without subjecting the annual operations to violent fluctuations in accordance with the varying seasonal and agricultural conditions from one year to another.

10. The conditions of Mysore at the present time, though generally in accord with the situation in other parts of India which I have just now indicated, present some distinguishing features. As long as land revenue and excise continue to furnish over 54 per cent of our gross revenues, the meteorological conditions cannot but be powerfully reflected in the service head portion of the state budget. But at the same time it may be contemplated with some satisfaction that here in Mysore we have some important heads of revenue, *e. g.*, sandal, mining royalty and

the Cauvery power revenues which are wholly or in a great measure independent of seasonal conditions. This makes domination of the monsoons over finance less rigorous and enables us, in some measure, to continue the work of reorganization and development in respect of several branches of the public service through years, which, from the point of view of agricultural prosperity, have to be regarded as below average.

11. In respect of the capital portion of the budget also, the circumstances in this state happen to be somewhat peculiar at the present moment. Thanks to the large surpluses of some years past—secured not by starving public works or the public services, but by the continued prosperity of agriculture, the mining industry and other causes—the state has now sufficient accumulated funds to carry on a liberal programme of capital works for a few years to come, without recourse to borrowing in the market.

Revised Estimates, 1913-14.

GENERAL REMARKS.

12. When the budget estimates for 1913-14 were finally adopted, the seasonal conditions, though giving no room for undue optimism, still admitted of assuming average prospects of agriculture and trade for budget purposes. The serious defect in the *mungar* rains and the fitful way in which the south-west monsoon began to break showed, however, that some caution was necessary. In these circumstances the budget for 1913-14 was framed for a revenue of 257,17 against a revised estimate of 272,92 for 1912-13 and a total of 250,90 as per actuals of the preceding year. It was thought that it would not be safe to estimate according to the standard of 1912-13 in which the season and trade conditions were decidedly more propitious; but there was no reason to apprehend that the standard attained in 1911-12 could not be maintained.

13. On the expenditure side, the budget for the current year was the embodiment of an active and energetic policy, both as regards the development of permanent departments of the state and as regards capital expenditure on productive public works. The estimates of most of the departments were studded with additional grants the most important of which were those relating to general and technical education, industries, agriculture, malnad improvements, the taluk establishment and the police force. The provision under service heads thus came up to 248,45 against a revised estimate of 229,63 in 1912-13 and a sum of Rs. 224,99 as per closed accounts of 1911-12. Besides this, a special additional allotment of Rs. 65,10 was provided for capital expenditure in connection with the Cauvery reservoir, railway construction, the fourth installation of the Cauvery power works and the Bangalore tramways. The total expenditure provided for in the budget thus reached the unprecedented figure of 313,55. As the money required for the capital programme was to come out of the accumulated surplus of previous years and not from the current revenues, no hesitation was felt on account of the seasonal conditions in having a full programme. On the other hand, in the circumstances of the case, a large capital programme was considered to be a decided advantage.

REVENUE.

14. The expectation of average seasonal conditions on the basis of which the revenue estimates for the current year were framed cannot be said to have been fulfilled. The aggregate hot weather rainfall from March to May 1913 was in defect of the normal throughout the Mysore area, the deficiency ranging from 5 per cent in the Tumkur district to 33 per cent in Mysore. For the state, the defect amounted to nearly a fifth of the usual quantity. The south-west monsoon rains set in at the usual time on the west coast and rapidly extended to the interior, and in this state the total rainfall of the period of this monsoon from June to September 1913 was about the average. But the distribution in time was abnormal. After heavy showers in the first half of July, a break commenced which with a slight mitigation about the end of the month extended right through August and nearly up to the middle of September. Heavy rainfall in the latter part of September made up the average quantity but the staple dry crops had suffered by this time. The rainfall of the north-east monsoon period from October to December

was scanty in all the districts except Shimoga. The defect was over 70 per cent in Tumkur and the average for the state was less by about 40 per cent. Even this reduced amount was ill-distributed in time, the whole of the precipitation of the north-east monsoon having been within the first half of October. The latter part of this month as also the months of November and December were practically without any rain. The north-east monsoons bring the tank-filling rains of Mysore and, for agricultural purposes, provided the full quantity is received, an uneven distribution in time up to a certain extent may not much matter. But the very early cessation of the north-east monsoons in the middle of October leaving the five months from November to March practically rainless, very much affected the summer discharge of the Cauvery, and this, as we shall see later on, led to some loss of revenue. It will thus be seen that of the three periods of rainfall on which our harvests of 1913-14 depended, the hot weather rains from March to May 1913 were deficient in quantity, the south-west monsoon precipitation from June to September was ill-distributed in time and the north-east monsoon showers from October to December were both deficient in quantity and ill-distributed.

15. It is an agreeable surprise to find that this rather unfavourable condition as regards rainfall has not adversely affected our revenue prospects as a whole. In some parts agricultural operations were hampered and the crops withered and suffered much, but on the whole the yield of the ragi and paddy crops was fair. In the case of the former crop the yield varied from about 7 annas in Bangalore, Kolar and Tumkur to 16 annas in Mysore. In the case of the latter the outturn was least in Bangalore district where it was about 6½ annas, and it was greatest again in Mysore in which a 14 annas harvest was reaped. The general average for the state reported to be 8·7 annas for ragi and 11·1 annas for paddy cannot but be regarded as satisfactory under the seasonal conditions of the year.

16. In fact our total revenue figures for 1913-14, instead of being adversely affected under the seasonal conditions which prevailed, stand revised from 257,17 to 287,30 which means an improvement of 30,13 or about 11·72 per cent. This increase is contributed to by almost all the group heads, the most important groups being Principal heads of Revenue, Interest and Railways. In taking the revised revenue figures at 287,30 for comparison with the budget, I have, of course, excluded the sum of 30 lakhs shewn under the head IX A. *Surplus Revenues of the Bangalore Assigned Tract.*

17. The proportion in which the revenue of 287,30 as per revised estimate is contributed to by various sources is shewn below :—

	Per cent.
Land Revenue	36·55
Excise	18·17
Forest	11·53
Mining Revenue	6·74
Interest	6·02
Cauvery Power Scheme	5·96
Railways	5·88
Stamps	3·59
Other Heads	5·56
Total ...	100·00

18. *Principal Heads of Revenue.*—The improvement over the budget under the group "Principal Heads of Revenue" amounts to 21,26. Of the six heads under this group three, *viz.*, *Land Revenue*, *Assessed Taxes* and *Registration* show no decided fluctuation from the budget. This advance is chiefly under *Forest* and *Excise* and to a smaller but quite appreciable extent under *Stamps.*

19. In the face of the seasonal conditions of the year no excess over the budget could be expected under *Land Revenue.* That the budget figure has been barely realised is due chiefly to two causes. In the first place the preceding year was one of abundant rainfall and satisfactory crops. And secondly, the sharp rise in the price of food grains during the last two years, was a decided advantage to the raiyat, specially as far as fixed money payments like *kandayam* were concerned. Thus the annual average price of ragi in the state during the three years ending 1912-13 was 18·52, 16·40 and 15·31 seers per rupee. The same figures in respect of rice of the second sort were 9·21, 7·83 and 6·62. In the current year the

prices continued at these high levels. In the course of two years the rise in price is 20·96 per cent in the first case and 39·1 per cent in the second. This undoubtedly explains to some extent the ability of the raiyat at the present time to meet his *kandayam* in spite of a somewhat poor harvest.

20. The feature of slow contraction manifests itself, as usual, under *Assessed taxes* by which are meant mohatarfa in rural tracts and assessment on vacant building sites. Against an estimate of 2,75 the actuals are expected to be 2,63. In the case of *Registration*, on the other hand, the realisations are better than the budget, *viz.*, 1,95 against an estimate of 1,85. The fluctuation from the budget under the head *Stamps* is considerable, the revised estimate standing at 10,30 against the estimate of 9,00. The increase is both under general and court fee stamps and indicates a greater degree of activity in general business and in our civil courts.

21. Under *Forest*, against the budget of 22,00 the revised stands at 33,14. This increase of over 50 per cent is chiefly due to the fact that the favourable rates for sandal realised last year were not only maintained at this year's auctions but showed a distinct advance. The average rate per ton secured this year was Rs. 1,000 a ton against Rs. 940 of last year. The other items of revenue under this head also contribute an increase of 3,02 over the budget, the bulk of which is expected to come from timber operations both by Government and private agency.

22. The Khedda operations during the last year cost about 1,11. Of the 109 elephants caught 32 died, 7 were retained for departmental use and 4 presented. The remaining 66 were sold for Rs. 1,25,250, the average price realised per head being Rs. 1,898. The net result of the operations was thus a profit of Rs. 14,250 besides the addition to the live stock of the department.

Excise.

23. The increase of 8,84 over the budget figure of 43,36 under *Excise* constitutes a very striking feature of the revised estimates of the current year. The course of this revenue during the last few years has been as follows:—

1906-07	39,77
1907-08	41,83
1908-09	43,63
1909-10	42,11
1910-11	41,99
1911-12	42,81
1912-13	48,14
1913-14 (Revised estimate)	52,20

The rise from 39,77 to 42,81 in five years from 1906-07 may be regarded as normal. But the increase from 42,81 in 1911-12 to 48,14 in 1912-13 and from that figure to 52,20 in the current year, *i.e.*, about 22 per cent in two years is a remarkable phenomenon which requires careful study from more than one point of view. The increase of 9,39 during the two years is analysed as follows according to our minor heads:—

		1911-12	1913-14	Variation
III A	Arrack	21,11	25,58	4,47
	Foreign liquors (included in accounts under Arrack)	12	19	7
III B	Toddy	19,92	24,44	4,52
III C	Beer	20	14	—6
III D	Ganja	96	1,18	22
III E	Opium	40	52	12
III F	Miscellaneous including C. & M. Station proportionate cost of the Central Distillery	10	15	5
	Total ...	42,81	52,20	9,39

24. I do not know whether many of us will be inclined to draw any consolation from the fact that compared with the rise of revenue under arrack the increase is as great, if not greater, in the case of the milder and comparatively less harmful toddy. Our revenue statistics also show that the increase under country arrack is not accompanied by increase of receipts under foreign liquor, the increase of 7.

in 1913-14 over the figures of 1911-12 shown against this head being due not to any increase in consumption, but to the collection of registration and surcharge fees in Bangalore and Mysore city municipalities from the year 1913-14. If it is a fact—I cannot vouch for it from personal knowledge or experience—that some of the cheaper foreign liquors are rank poison when compared to our jaggery arrack, which in its turn is more deleterious than toddy, this leaning of the drinker towards the less injurious stuff has to be regarded with some satisfaction.

25. There is another method of analysing our Excise revenue figures which throws important light on the whole subject. Under each of the minor heads I have just now referred to, the revenue consists broadly speaking of two classes of items, *viz.*, duty or tax on the liquor and shop rental or license fees. Of these the first item may be said to vary solely and directly with consumption if the rate of duty or tax remains unchanged. The second item *viz.*, rent depends partly on consumption and partly also on competition amongst the capitalist licensees. An increase in this item need not necessarily denote increased drinking amongst the people. Analysed on this basis, the Excise revenue figures stand thus:—

	1911-12	1913-14	Variation
Duty or tax	25,62	31,03	5,41 or 21 per cent more
Shop rental and License fees ...	17,19	21,17	3,98 or 23 ,,

It may therefore be said that the increase in our Excise revenue since 1911-12 is due, in some measure at least, to causes other than increased consumption of liquor.

26. With effect from the year 1910-11 the strength of arrack sold in the shops was reduced from 20 to 25 degrees under proof. This reduction of strength of course means that for an equal degree of stimulation a greater quantity of arrack is required. Since 1911-12 there has been great activity in the labour employing departments of the state like public works and railway construction, more wages have been distributed all round and colonies of imported coolies have sprung up. Temporary increase of consumption may be expected in such circumstances. Energetic steps have been taken of late to put down illicit distillation and smuggling across the frontier, and this may have resulted in rise of revenue without a corresponding increase in drunkenness. It is difficult to say whether all these causes suffice to explain the remarkable rise in our Excise revenue that has recently taken place, or whether the increase is partially due to the drink habit penetrating deeper into the masses of our urban and village population. One fact however can be contemplated with satisfaction in connection with this subject and it is the graduation reduction in the number of shops year by year as shown below:—

1910-11	4,151
1911-12	4,114
1912-13	4,084
1913-14	4,000 (approximate)

27. *Interest.*—The improvement in the revised estimates over the budget under the group *Interest* amounts to 4,96. This is the net result of two opposite factors. Under interest on loans and interest on arrears of revenue there is a falling off of 1,04 from the budget chiefly owing to less recoveries on account of loans to encumbered jahgirdars and to agricultural banks. Against this there is the large improvement of 6,00 under *Profit or Loss.* About two-thirds of this increase is only nominal being due to realisation during the year of amounts appertaining to the previous year. But the remaining third represents a real advance over the budget due to new investments and also owing to the fact that the condition of the money market enabled us to use our cash balances for earning interest to a greater extent than was anticipated.

28. *Railways.*—To prevent undue inflation of both the receipt and expenditure sides of our budget, it is our practice to show on the receipt side, not the gross earnings of our state railways, but only the net earnings after deducting the working expenses and the share of profits payable under contract to the working agency. The net earnings of the current year were taken in the budget at 14,50 but this figure now stands revised to 16,90, showing an advance of 2,40 over the budget. This favourable result is due to the gross earnings having been considerably higher than anticipated. The working expenses also rose but to a less extent and the net receipts were consequently higher.

29. The working company placed the budget estimate of gross revenue from the Mysore state railways for the current year at 34 lakhs. This was found to be low in the light of the revised estimate for 1912-13 and the growing character of this revenue and it was accordingly raised to 36 lakhs. The actual result is expected to exceed even the anticipation formed at budget time and the revised estimate of gross revenue for the current year is placed at 42 lakhs.

30. The large increase is both on the broad and metre gauge sections and under both coaching and goods. There was general improvement in passenger traffic all throughout the year due, perhaps, to less prevalence of plague in many parts of the State, and to an exceptionally busy marriage season. The Dasara at Mysore attracted a large number of people in October 1913, while His Excellency the Viceroy's visit added appreciably to the earnings from passenger traffic during November 1913. The feast at Pandharpur in the month of November 1913 and the movement of troops from Bangalore to Rajankunte and Dodballapur for the camp of exercise in the same month were also causes that increased the revenue from coaching traffic.

31. The increase under goods on the broad gauge was due to large consignments of timber and coal for the Kolar gold mines in July and November 1913 and February 1914. On the metre gauge it was due to large exports from Davangere of cotton and cotton seeds to Bombay in October 1913, and of ragi and groundnuts to stations on the South Indian Railway, in December 1913. The booking in October and December 1913 of jaggery and sugar from Bangalore and Tiptur within the State and from Dodballapur to stations on the Great Indian Peninsula Railway were also heavier than in the previous year. The traffic in paddy and rice booked from Mysore and Tumkur to stations on the South Indian Railway was brisk during November and December 1913. The booking of manganese ore from Shimoga to Marmugoa harbour fluctuated greatly from month to month. The bookings had to be suspended during August owing to labour difficulties. By November the tonnage of consignments rose so as to materially enhance the goods receipts; but in January the export traffic again declined and in February there were no consignments.

32. Taking the actual working expenses for the months for which they are available and the probable working expenses for the remaining months, it is expected that the total working expenses for the year will amount to 24,37. Of the balance, one-twentieth (subject to some adjustments) has to be paid to the Company as its share of surplus profits, and making allowance for this, the revised estimate of net revenues from Railways will stand at 16,90.

33. *Cauvery Power Revenue.*—In previous years it has frequently been my good fortune to record substantial increase of revenue under the head Cauvery power scheme, due in some measure to fresh power and lighting installations, but chiefly to the stoppages of power supply on account of the deficiency of water in the Cauvery and for other reasons being few and of short duration. This year there is no appreciable increase to record, the revised estimates for 1913-14 being 17,12 against 17,06 as per accounts of the previous year. This result is chiefly due to the necessity of granting rebates to the Kolar gold mining companies in terms of contracts with them for deficiency of power supply. I have already pointed out that the north-east monsoon rains, which in and round about Mysore should be distributed throughout the months of October, November and December, practically exhausted themselves by the first half of October in the current year, and from 18th October onwards the Cauvery catchment had practically no rain. As a consequence, load had to be taken off from the power works at Sivasamudram from about the middle of March and rebates had to be granted.

34. The amount of rebate actually allowed to the mining companies for March, April and May aggregates about 1,38. The rebate payable for June will also be heavy being about 70 or 80. It may be mentioned, however, that this does not seriously affect the receipts for the current year, as the demand for the last two or three months will be paid and adjusted in the accounts of the next official year. It is the figure in the budget estimates for the ensuing year that will be materially affected by these circumstances.

35. *Mining Revenue.*—This temporary shortage in the power supply is not likely to cause any material reduction in the output of gold to the end of the current

year. In fact the output from January up to the end of April shows an increase of 470 ounces over that for the corresponding months of 1913. There is therefore no reason to doubt that the estimate of 19,00 under *Mining Royalty and Leases* will be realized.

EXPENDITURE.

36. We shall now turn our attention to the pay counters of our treasuries and examine how far the operations there during the current year have been in accordance with budget anticipations. The liberal provisions for the year under the various service heads, excluding special grants for capital expenditure, aggregated 248,45. The figure now stands revised to 237,23 as the net result of lapses and savings in some departments and excess expenditure in others. The more important items of fluctuation are :—

Lapses and Savings (In thousands)		Excess Expenditure (In thousands)	
Land Revenue	72	Forest	42
Charges against Mining Revenue ...	114	General Administration ...	1,91
Palace	44	Courts of Law	19
Jails	15	Police	11
Education	2,40	Pensions	13
Medical	49	Stationery and Printing ...	12
Scientific and Minor Departments ...	31	Civil Works	93
Miscellaneous	4,15		
Army	73		
Miscellaneous Railway Expenditure...	1,29		
Major Irrigation	93		

37. The saving of 72 under *Land Revenue* is chiefly contributed to by the minor heads Charges of district administration (60) and Revenue survey and settlement (11). The decrease in the former is caused by savings in salaries and establishments, due in some measure to the new scale for shekdars not having been fully brought to effect, and to lapses in some of the grants for supplies and services. The lapse of about 11 under Revenue survey and settlement is on account of savings in establishment for which a lump sum grant of 90 was made in the budget.

38. The saving of 14 under *Charges against mining revenue* is in the charges transferred from the Geological department in which there has been a decrease of expenditure owing to the appointment of the 2nd State Geologist being vacant and one of the Assistant geologists being deputed for other duty. Under *Palace*, the revised estimate stands at 22,96 against 23,40 in the budget, as some of the smaller pensions have not been fully adjusted. In respect of *Jails* the net decrease of 15 is due to the lapse of provision for introducing khaki weaving industry, and for manufacturing weights and measures, counterbalanced to some extent by an excess in the dietary charges of prisoners.

39. The expenditure in the Education department is expected to be 2,40 less than the budget chiefly owing to the special grants for opening new and improving existing schools and for technical education not being fully utilized. There is also a decrease of 21 under Government colleges, on account of savings in the salaries of professors on account of vacancies, in the salaries of masters and mistresses in the Maharani's girls' college and in the lump grant for botany laboratory in the Central college. Some savings on the budget are also expected in the Book depot and under Grants-in-aid. Under *Medical* the lapse of 49 is chiefly under Medical Establishment (20) and Sanitation and Vaccination (28). The decreases in the two cases are due to savings in the salaries of Assistant and Sub-assistant surgeons, and in the grant for plague charges, respectively. In the Scientific and minor departments there were two vacancies in the gazetted geological staff, and the grant under Archæology for preparing a monograph on Chalukyan buildings is not likely to be fully utilized. Small savings are also expected in the provisions of the Agricultural and Industries departments.

40. The large saving of 4,15 under *Miscellaneous* is only apparent, because there was a lump sum provision of 5,00 in the budget under this head, but the expenditure incurred out of this sum has been classified under the appropriate heads of account. This fact also explains many of the excesses over sanctioned grants in respect of the latter heads. Under *Army*, the saving of 73 is contributed to by all the branches excepting the Local service regiment, Palace military and Kunigal

farm. In the Imperial service regiment there are savings in pay and good conduct allowances; in the Barr or Infantry there is lapse under non-commissioned officers and men and in respect of the special grant for purchase of rifles; and in the Imperial service transport corps there is less expenditure under salaries and establishments, and in the grants for converting pony carts into bullock ones and for the purchase of bulls. There will also be savings under the grass farms at Hessarghatta and Nadamavinapura. Against these savings there will be an increase over the budget under Palace military, in consequence of the increased contract grant sanctioned from this year on account of improvement to His Highness the Maharaja's body guard. The grants under Local service regiment will be fully worked out.

41. The saving of 1,29 under *Miscellaneous railway charges* is due to the fact that a considerable part of the charges on Direction and Accounts incurred during the year, has been transferred to the capital accounts of the several railways under construction in proportion to the work done for them. It has also to be remembered that survey charges are, in the first instance, treated as miscellaneous railway expenditure; but as soon as construction is taken up, the cost of all surveys is transferred to the capital account by relieving the head *Miscellaneous railway charges.* This head also gets relief by the recovery of mileage and Government supervision charges in respect of district board and companies' railways.

42. The lapse of 93 under *Major Irrigation* (excluding capital grants) was due to difficulty in securing labour for some of the works included in the programme. There is a corresponding excess of 93 under *Civil Works* from which it will be seen that this lapse in the Irrigation budget has been utilized for buildings and miscellaneous improvements. There having been a tendency of late to utilize money provided in the budget under irrigation for other kinds of public works, Government have recently laid down that, in reappropriating funds in future, the Public works department should not transfer funds from Irrigation to other heads.

43. Of the excesses over budget grant under the several major heads, those under *Forest* and *General Administration* are only apparent as the provisions for khedda charges and entertainments, were included in lump under *Miscellaneous* while the expenditure has been shown in the accounts under the appropriate service heads. Taking these grants into account, there has been no excess under either head. The excess of 19 under *Courts of Law* is due to the new system of paying remuneration to copyists and copy examiners in courts which has come into force with the introduction of stamped copying papers. Under this system the amount paid by the parties for copies is collected as revenue under stamps and the expenditure for making out copies has to be shown as expenditure under *Courts of Law.* The budget estimate under *Superannuation allowances* is framed on the basis of pensions in force at the beginning of the year in the expectation that lapses and new sanctions will balance one another. The excess of 13 in the revised over the budget shows that during the year under review the equilibrium was not maintained but that new sanctions exceed lapses. The increase of 12 under *Stationery and Printing* means more money spent on printing paper and stationery for the expanding public departments, and more types and materials and establishment charges for a nevertheless groaning printing office.

44. One of the most important measures affecting the expenditure side of the budget promulgated by Government during the current year is the Village Improvement Scheme. This scheme was foreshadowed by you, Sir, in your address to the Representative Assembly in October last in the course of which you observed:

"The village forms a convenient unit for purposes of economic effort, for taking stock of progress at the beginning and end of a year. If each village shows a little improvement, from year to year, the collective result will be large..... Every village should show some public improvement or other as the result of the collective effort of its inhabitants at the end of each year.....And as the great bulk of the population live in villages, any effective organisation to improve village efficiency cannot fail to make a potent addition to the life force of the people and the productive power of the country."

Under this scheme which was formally sanctioned by Government in February 1914, a sum of at least two lakhs per annum will have to be provided in the budget for some years to come for grants-in-aid to the village improvement funds.

45. When the budget estimates for the current year were under consideration a number of proposals for departmental reforms and reorganizations were pending before Government, and a lump sum provision was made under the head *Miscellaneous*, so that such of the schemes as might be sanctioned during the year could be given effect to at once, without waiting for the allotment of funds in the budget for the next year. The procedure was not strictly in accordance with financial rules and was adopted in the very exceptional circumstances of the case, *viz.*, that an unusually large number of proposals, some of which were of a really pressing character, happened to be simultaneously before Government. The lump sum provision made, including the allotment for special entertainments was 5,00. In reply to a question in this Council on the 14th April 1914, I placed on the table a statement showing appropriations out of this grant as they stood on that date. I take this opportunity of appending a final statement showing how that grant has been utilized :—

Item sanctioned	Amount debitable for the current year.
	Rs.
(1) Revision of the Police department (from October 1913) ...	49,843
(2) Revision of the establishment of the Comptroller's office ...	4,500
(3) Revision of the scale of establishment in the Channapatna Industrial School	20,609
(4) Special grant on account of entertainments	2,85,000
(5) Village Improvements	80,000
(6) Malnad Improvement Scheme	45,000
(7) Reorganization of the Agricultural department	8,000
(8) Temporary records sorting Establishment of the General and Revenue Secretariat	2,000
(9) Special improvements to the Cubbon Park	3,500
10) Efficiency Audit department	1,500
Total ...	4,99,952

Special Capital Grants.

46. We shall now compare the budget provision and the expenditure according to the latest revised estimates, in respect of the several items of special capital work. The figures are—

	Budget grant.	Revised estimate.
Cauvery reservoir works	30,40	19,70
Fourth Installation, Cauvery power scheme ...	13,05	8,50
New Railway lines	15,00	8,83
Bangalore tramways	6,65	65
Total ...	65,10	37,68

47. The estimate for the Cauvery reservoir project, as now under execution is 81 lakhs. The outlay up to the end of June 1913 was 23,20. For the current year a sum of 30,40 was provided for, but a sum of 19,70 only is likely to be spent, bringing up the outlay up to the end of the current financial year to 42,90. Some points relating to the grant of land compensation have yet to be settled, and payments under this head did not therefore reach the expected figure during the current year.

48. As regards the Fourth installation of the Cauvery power scheme, the surrender amounts to about 4,55 out of a grant of 13,05. About two lakhs of the surrender is due to the building operations at the Kolar Gold Fields having been deferred during the current year and the reconstruction of the transmission lines having been taken up late. The former work is held in abeyance as

it has not yet been finally decided whether double transformer stations will be really necessary and only about half the latter work is expected to be completed by the end of this year. The work in connection with the supply channels and additional buildings required at Sivasamudram is expected to be practically complete by the end of the current year. As regards generation machinery, some of the required plant have already been received and the remaining ones are expected before the close of the official year. A sum of 40 is however resigned under this head for such of the items as may remain over for next year. Under the head distribution plant, the step-down transformers and other materials for works in the Kolar Gold Fields are not expected to be received during the current year. Hence a sum of 2,10 is surrendered under this head. It will be seen that the bulk of the surrenders is on account of buildings and distribution plant at Kolar, all the other parts of the scheme being expected to be complete or nearly so by the end of the current year.

49. The original estimate for the Bangalore tramways was for 6,75; but during the year it had to be revised, and the estimate as recast aggregated 8,55. The Government were not prepared to accept so high an estimate and the work could not in consequence be taken up. Further inspection, ordered by Government, of the existing tramway systems of the principal Indian cities was concluded in April last and a fresh revised estimate recently prepared by the Chief Electrical Engineer is now under the consideration of Goverenment. As a final decision in respect of this project cannot be arrived at during the current year, the entire grant less a small outlay of 65 will lapse. This expenditure is in connection with survey charges and purchase of materials for the car barn.

50. The grant of 15 lakhs for construction of new lines provided in the budget for the current year was intended to be roughly spent as follows:—*Viz.*, 10 lakhs for the Mysore-Arsikere Railway, 2 lakhs for the Tarikere-Yedahalli Tramway, and 3 lakhs for the Bangalore-Hosur Railway. As a matter of fact only a sum of 8·83 is likely to be spent during the year, *viz.*, 2,83 for the Tarikere-Yedahalli Tramway and 6 lakhs for the Mysore-Arsikere Railway. The progress of work in respect of the Tarikere-Yedahalli Tramway is thus satisfactory and the line is expected to be ready for opening within a few weeks of this date.

51. As regards the Mysore-Arsikere Railway, operations are going on at a satisfactory rate in the two construction divisions that have been formed and no considerable lapse is expected in the grant for works. But there was some delay in settling the exact method of procuring Europe stores and an indent for permanent way material and locomotives was sent in the final form only in the middle of February. A sum of about 4,00 has therefore been surrendered under this head.

52. The construction of the Bangalore-Hosur line could not be taken up during the year and the whole provision for it will lapse. When the question of this railway was taken up early in 1913, the intention was to make use of the survey and estimates prepared for the line by the late Madras Railway Company during 1906, except for a few miles from Hosur, for which a re-survey was necessary, owing to a change in the original alignment adopted by the South Indian Railway Company near Hosur. This re-survey could have been completed and the sanction of the Government of India obtained to the commencement of construction work in time to spend the current year's grant for the work. But no sooner were survey operations commenced near Hosur than petitions began to pour in from the inhabitants of Bangalore and Anekal taluks, one party representing that the line should follow the imperial road between Bangalore and Hosur *via* Attibele and Chandrapura, and the other party advocating the advantages of a route *via* Bannerghatta and Anekal. The President, City Municipal Council, Bangalore and the Taluk Board, Bangalore supported the former representation while the District Board of Bangalore and the Taluk Board of Anekal supported the latter. As no unanimity could be arrived at on the point, alternative estimates were prepared for both the routes. This naturally led to considerable loss of time and the estimates could not be submitted to the Government of India and sanction obtained in time to commence work this year.

SUMMARY.

53. The net savings and lapses in the service head portion of the budget being 11,22 and those in the capital grants 27,42 the total expenditure as per revised estimates is less by 38,64 than the budget amount. Thus instead of 313,55 the actual expenditure is expected to be 274,91, *viz.*, 237,23 under service heads and 37,68 for large productive works. Of the expenditure under service heads amounting to 237,23 the percentages as per various distinct classes of expenditure are—

Civil Departments and pensions	31·57
Army and Defence	21·00
Refunds and charges incidental to revenue collection	15·69
Public Works	12·14
Palace	9·68
Interest	4·83
Cauvery Power Scheme	3·32
Miscellaneous	1·77
Total ...	100·00

54. The budget for 1913-14 excluding special grants for capital expenditure, was framed for a surplus of 8,72. In the revised estimates this stands increased to 80,07. An analysis of this improvement of 71,35 is given below:—

Accumuluated surplus revenue of the Civil and Military Station, Bangalore ...	30,00
Increase in Forest revenue	11,14
Do Excise	8,84
Do Other revenues	10,15
Saving in expenditure	11,22
Total ...	71,35

It will thus be seen that the apparently large variation is due to a few items which could not be foreseen at budget time and that the general estimating both on the revenue and expenditure side was fairly accurate.

55. The result of the year about to close has thus exceeded our expectations. The fluctuations both ordinary and special have been on the right side, excess in the case of revenue and saving on the side of expenditure, with the result that we are considerably better off at the end of the year than we expected. But before taking leave of the year which has thus more than fulfilled its promise as regards the level of our balances and the strength of our financial position, we shall briefly examine whether it has kept pace with its predecessors in the matter of expansion and development. For this purpose I have analysed our revenue and expenditure figures for the last three years into ordinary and special as in the subjoined statement:—

Revenue and Receipts.

	Ordinary.	Special.	Total.
1911-12	250,90	...	250,90
1912-13	276,06	...	276,06
1913-14 (Revised)	287,30	30,00	317,30

Expenditure.

	Service heads.	Capital outlay.	Total.
1911-12	224,99	7,02	232,01
1912-13	223,73	17,05	240,78
1913-14 (Revised)	237,23	37,68	274,91

It has to be remembered that the service head expenditure for 1911-12 includes Delhi Durbar charges to the extent of 4,94. The figures speak for themselves and no comment is needed.

Budget Estimates, 1914-15.

GENERAL REMARKS.

56. Having briefly studied the forces acting on the field of our public finance during the current year, and examined the extent to which they have affected the budget estimates for 1913-14, we can now proceed to examine how our programme is likely to stand under the operation of these forces during the year which is now peeping on us from behind the veil of futurity. It must be abundantly clear to us all that the trend of these forces has not only been simple forward motion, but forward motion with acceleration; the aim has been not only to advance but to push forward as fast as possible under the circumstances of the case. Taking the aggregate expenditure of the state as a rough index of its useful activity, we have seen how the revised estimates for 1913-14 amounting to 274,91 show a great advance over the actuals of 1912-13 which aggregated 240,78. The budget estimate for the year 1914-15 now placed before you providing for a total expenditure of 358,63 indicates a greater advance on the revised estimates for 1913-14. Translated from the language of figures to plain words this means that the programme for the ensuing year not only provides for maintaining the standard already attained, but aims at higher efficiency and increased activity in many directions.

57. The provisions for capital expenditure not charged to current revenues in the estimates for 1914-15 aggregate 95,17 as shown below :—

Cauvery Reservoir Project main works	29,00
Do subsidiary works	8,50
New Railway lines	46,00
IV Installation, Cauvery Power Scheme	5,67
Bangalore tramways	6,00
Total ...	95,17

The provision of 29 lakhs for the Cauvery Reservoir, if it can be fully worked out during the year, will bring up the total outlay to 71,90 against an estimate of 81 lakhs. This stage will thus be approaching completion by June 1915. It is expected that by that time the dam will be raised to 62 feet above bed level and the capacity of the reservoir at that level will be 4,000 million cubic feet. The provision of 8,50 for subsidiary works connected with this project includes the following grants :—

Work	Total estimate.	Allotment for 1914-15.
Opening low level canals from the Cauvery Reservoir ...	2,50	1,00
Improving and extending Hemagiri Channel ...	1,54	50
Do Mandagiri Channel ...	6,50	3,50
Opening Chamaraj Right Bank Channel	14,00	3,50

These works are mostly necessitated for settling the raiyats who will be drowned out by the construction of the reservoir.

58. The distribution of the sum of 46,00 provided for the construction of new railway lines during the ensuing year will be explained in the section on Railways. Of the provisions of 5,67 and 6,00 made under *IV Installation Cauvery Power Scheme* and *Bangalore Tramways* there is practical certainty in the former case and reasonable probability in the latter, of the works being completed during the ensuing year and the grants utilized nearly to the full extent.

59. Large as these grants for capital outlay may appear, they have not been provided at the expense of the permanent departments of the state. Reform and development are written large over the budget estimates of many of them. Increased provisions appear under *General Administration*, *Courts of Law*, *Police*, *Education* and *Agriculture*, on account of improvements effected in those departments during the current year. Besides these there are provisions in the budget appertaining to measures which are to come into effect during the ensuing year. The most important of these are the special grants aggregating over four lakhs to the Education department for opening public libraries and starting new aided schools, for introducing compulsory education in certain selected parts of the State,

for village elementary school buildings, for better and more extensive training of teachers and for various other purposes connected with the spread of education. The special allotments made for the Agriculture and the Industries and Commerce departments include provisions for improved jaggery manufacturing plant, establishment of a dairy and breeding station in connection with the Agricultural school and the opening of two new experimental farms one in the malnad and the other in the Chitaldrug district. Under Economic conference, liberal provisions have been included for sericulture and for propagandistic work. The malnad and village improvement schemes have been adequately provided for by grants of one and three lakhs respectively, the latter including a grant of one lakh for sinking wells in villages. To supplement the funds raised by certain municipalities for financing water-supply schemes a provision of 70 is made for grant-in-aid to these municipalities. In addition to these large grants the budget includes provisions of smaller amounts for starting new works and effecting improvements in almost all the departments of the state, and these will be referred to later on under the respective heads.

60. In the service head portion of the budget for 1914-15, the revenue for the year is estimated at 284,92. Against this the expenditure is expected to stand at 263,46. This leaves a surplus of 21,46. The special expenditure on large capital works amounting to 95,17 has not, however, been included in these figures. Including these special items the total expenditure for the year comes up to 358,63 and the excess of total expenditure over current revenue comes to 73,71.

61. The net revenue from the Mines, the Cauvery Power Scheme and Bethamangla water-works, *i.e.*, the receipts after allowing for all expenditure directly or indirectly appertaining to these heads is estimated in the budget at about 28 lakhs thus :—

Gross Mining Revenue	19,00	
Deduct : Charges	*2,40*	
Net Mining Revenue		16,60
Gross C. P. S. Revenue	17,58	
Deduct : Charges	*8,26*	
Net Power Revenue		9,32
Net Water Revenue, say...		2,00
Total Net Revenue from the three sources		27,92 or say 28 lakhs.

It has also to be noticed that, out of the item of 13,43 included on the receipt side on account of surplus revenue of the Bangalore Assigned Tract, a sum of about 12 lakhs has to be regarded as accumulated arrears ; and if an allowance on this account is made, the real surplus, on the basis of the standards of revenue and expenditure taken for 1914-15, will come to 9·46 lakhs.

REVENUE.

62. While framing the revenue estimates for the ensuing year, the unfavourable seasonal and agricultural conditions of the current year have to be borne in mind. The partial failure of the staple crops in some parts during the current year did not indeed cause anything approaching distress ; but the raiyats' reserves have been depleted to some extent. With his strained resources the poorer agriculturist may not be able to meet his demands in full, if the effects of another bad season are superposed. But though there is need for caution, there is so far no cause for alarm. The prospects of the season are reported to be fair in the majority of the districts and it does not appear unsafe to base our estimates on average conditions of agriculture and trade. On this basis the aggregate revenue for the year has been estimated at 271,49 against 287,30 in the revised estimate of 1913-14 and 276,07 in the accounts of 1912-13. It should be noticed that, in this comparison, the figures relating to the surplus revenues of the Bangalore Assigned Tract have been omitted in both the budget and the revised.

63. We have assumed average seasonal and agricultural prospects because we are only at the commencement of the south-west monsoon period and there is

as yet no reason to despair of fairly favourable conditions. The hot weather precipitation of rain in March, April and May of the current year has indeed been quite insufficient, the provincial average of rainfall on 20th June 1914 being only 4·09 inches against 9·18 inches, the average of the past ten years. On that date 74 out of 77 taluks and sub-taluks of the State reported deficit in rainfall. The south-west monsoon arrived on the Malabar coast on the 4th June which is about the usual date, and in Bangalore it arrived on the evening of the 4th in the heel of a dust storm. It spread over the whole of the Mysore country by the 6th. But the actual rainfall during the first three weeks of the monsoon is much in defect of the average. Regarding the prospects of the south-west monsoon rainfall of 1914 in Mysore, the Director-General of Indian Observatories infers that the effect of the high pressure in India in May is distinctly advantageous to Malabar and less so for Mysore. The outlook indeed is not very bright but there is no reason as yet to lose heart and the prospects are such as to justify estimating on the basis of average conditions with reasonable caution.

Principal heads of revenue.

64. In these circumstances the estimate of land revenue collections has been placed at 106,40 against 105,00, the revised estimate for the current year. The increase is chiefly under *Assessment on lands* owing to expected expansion of cultivation and to the introduction of revised rates of assessment in two taluks in the Shimoga district. It is also hoped to reduce to some extent the outstanding arrears. The arrears of land revenue left uncollected at the end of each year for several years past are given below:—

1908-09	24,61
1909-10	20,42
1910-11	15,55
1911-12	11,85
1912-13	11,99
1913-14 (Revised)	11,70

It is seen from these figures that during the last three years there has been no appreciable reduction in the amount of outstanding arrears. Judging from the standard of collection in other parts of India and in Mysore itself some time back, it is reasonable to hope for a substantial reduction in these outstandings.

65. Under *Forest*, the revenue suddenly leapt up from 22,06 in 1911-12 to 32,94 in 1912-13 and a considerable part of this rise is likely to be maintained in the future. The revised for the current year including the exceptional item of khedda receipts amounting to 1,30, stands at 33,14, which indicates, under the ordinary heads, only a slight set back from the standard of the previous year. Pending however the settlement of revenue under this head fairly stably at the higher level of these two years, a certain amount of caution in estimating is justified and the budget for 1914-15 has been placed at 28,20. This figure has been arrived at on the basis of a conservative estimate of the quantity of sandalwood expected to be placed on the market, so that the favourable rates of the last two years may be maintained. An addition of three lakhs is also anticipated in the next year from departmental timber operations, on account of the supply of sleepers to the State Railway construction department.

66. For reasons which I have already explained when dealing with the revised estimates, the budget estimate under *Excise* for 1914-15 has been placed at 46 lakhs. Some may consider this as an under-estimate in the light of previous actuals, but I should hesitate to make our financial system depend more and more every year on an excessive and rapidly increasing revenue from Excise. I would rather frame the budget with a moderate and normally expanding revenue from this source and treat the extra realizations, if any, as fortuitous receipts. The policy is, that we want to increase the revenue, as far as possible, by preventing illicit distillation and illicit tapping, by taking reasonable advantage of increasing competition amongst capitalists who make a profit by licensing and renting shops, and by taxing the man who must drink under any circumstances. But we do not want an increase of revenue by increased consumption; and though we cannot fight against economic laws and change all on a sudden the trend of certain phases of human nature, we should try to keep in our budget an element of elasticity about

the Excise revenue, which will make it possible for us to view a reduction of consumption of intoxicating liquors and drugs amongst the population, with humanitarian pleasure and gratification and without any financial embarrassment.

67. Of the other ordinary heads under this group only the estimate under *Stamps* requires special notice. The actuals for 1912-13 under this head were 9,41 and the revised estimate for the current year stands at 10,30. The increase in the revised estimates being fairly evenly distributed amongst the several sub-heads, the most important of which are general stamps and court-fee stamps, the rise in this revenue may be held to have been due to normal expansion and the budget is consequently placed at 9,75. The introduction of stamped copying sheets for granting copies in courts was introduced about the end of 1912-13 and it was then estimated that the sale proceeds of these sheets may aggregate 16. The revised estimate of 41 under this head indicates, however, that this was under estimated in the budget for 1913-14. A sum of 30 has therefore been included in the budget for 1914-15 as the probable receipts from these copying sheets during 1914-15. The receipts from this new source are not real additional income as, against them, there will be corresponding expenditure in the shape of remuneration to copyists and copy examiners which is incurred by all courts in the state.

68. A word of explanation is necessary as regards the estimate under the new head *Surplus Revenue of the Bangalore Assigned Tract.* This amount includes the sum of about 9,23 due as per accounts up to the end of the year 1910-11, and also a rough estimate of the amount for the three years which have elapsed since then. In the absence of a better guide the average annual surplus for the whole period since the assignment of the tract has been taken as the basis of calculation in respect of these three years. As the Government of India have been pleased to agree to an annual adjustment in respect of this item, provision on this basis will be made in the budget estimate of future years unless some more definite data are forthcoming at budget time.

OTHER HEADS OF REVENUE.

69. The out-put of gold from the Kolar Mines during 1911-12 and 1912-13 was valued at 322,08 and 323,78 respectively and the revenue under *Mining Royalty and Leases*, which comes practically wholly from this source, amounted during these years to 19,19 and 19,36 respectively. The revenue from this source for the ensuing year has been placed at 19,00 as there is no reason to anticipate any falling off in the standard of out-put attained. Reports for the year 1913 show that the development operations during the year were fairly satisfactory and the reserve of ore on 31st December 1913 on most of the important mines was greater than that on the corresponding date of the previous year. On the property of the Mysore Gold Mining Company, the largest and most prosperous on the fields which paid last year, over 43 per cent of the total government royalty from the Kolar fields, against 302,662 tons of quartz crushed during the year 1913, the reserve of ore on the last day of the year was reported to be as much as 1,337,998 tons.

70. The receipts under the head *Interest* is a direct index of the extent of the State's interest-earning investments in the shape of loans and securities; and the fact that the standard of this revenue has steadily risen year by year from 5,67 in 1908-09 to about 14 lakhs at the present time shows that our investments have more than doubled during the period. This increase is not the result of a scheme of permanent hoarding on a large scale; it only represents a temporary phase in the financial working plan by which a part of the mining and attendant revenues is saved for being spent on productive and beneficent works of a permanent character. "How much does this contain?" asked some one pointing to the Comptroller's safe in the State Huzar Treasury knowing that it contained the bulk of the State's investment papers and expecting to hear in reply a figure in crores and lakhs. "It contains a reservoir capable of irrigating 150,000 acres, 400 miles of railway, an electric installation of 6,000 H.P. and some other miscellaneous little things" was the unexpected and amusing answer. This reply truly represents the character of the bulk of our investments. Hoarding in the ordinary sense is foreign to our financial policy; and the time will come, sooner or later, when, beyond a moderate liquid reserve for meeting sudden emergencies, all funds which

we can save or our credit can secure will be utilised for developing the country. In the meantime all our savings are invested only in first class securities; and steps have been recently taken to introduce variety in the form of our investments so that a considerable amount can be realised at a moment's notice without considerably disturbing the market in respect of any particular kind of paper.

71. In the group "Receipts by Civil Departments" there are only a few points deserving notice in the estimates of the ensuing year. Under *Jails*, as weights and measures in accordance with the rules sanctioned in 1911 under the Mysore Weights and Measures Regulation are expected to be manufactured at the Central Jail in Bangalore during the ensuing year, the receipts are expected to be 7 more than the revised estimate of the current year. Under *Police* there is a slight rise on account of contributions for policing from the Bowringpet-Kolar Railway, and also from the Kolar Gold Fields Railway, administrative jurisdiction over the lands occupied by the latter line having been transferred to the Government of His Highness the Maharaja during the current year. A small income is also expected on account of fees for license and registration of motor cars in the State to be levied under the new regulations. The receipts under *Education* have been moderately estimated at 1,76 against 1,77 the revised for the current year and 1,64 the actuals of 1912-13. Under *Scientific and other minor departments* the budget figure for the ensuing year is 86 against 1,07 in the revised estimates and the reduction is chiefly under Veterinary and Stallion receipts owing to less realizations being expected from the sale of Amrut mahal bulls than in the current year.

72. The receipts under the group "Miscellaneous" are at the normal level and call for no remarks. The same might be said of the group "Military Receipts," but for an estimate of 33, against 24 in the revised estimate and 20 in the accounts for 1912-13, under Kunigal Stud Farm, owing to the expectation of larger realisations from sale of foals. As regards Public works receipts the only interesting fluctuation in the estimates for the ensuing year is in the sum of 58 under excess water rates expected to be realised in Mysore and Bangalore cities. The realisations under this head in the two preceding years were 71 and 70 respectively and the lower estimate for the ensuing year is due to a part of the out-standing arrears having been cleared off.

RAILWAYS.

73. *State Railways—Open Lines.*—It is a gratifying feature of our finances that the net income from railways is, year by year, becoming an important factor of the revenue side of the budget. For the ensuing year, on the basis of average condition of trade and agriculture the net railway earnings are placed at 15,00. The way in which this figure is worked out is shown in the following statement in which the figures for the two preceding years also are given for purposes of comparison:—

	1912-13 Accounts. Rs.	1913-14 Revised	1914-15 Budget
Gross earnings	37,21,685	42,00	38,00
Deduct: Working expenses	*19,95,302*	*24,37*	*22,23*
Surplus profits payable to the working agency	*99,394*	*73*	*77*
Net receipts	16,26,989	16,90	15,00

The estimate of gross receipts follows the actuals of 1912-13 rather than the revised estimate for the current year which may turn out to be exceptional. The working expenses are worked out on the basis of a percentage of 58·5 on gross earnings which is rather high but which has been adopted for budget purposes on the basis of actual results of previous years.

74. The capital expenditure for improvement of the State open lines provided for in the budget estimates for 1914-15 amounts to 3,58. The more important works under the head are these:—

Substitution of 60 lbs for 41¼ lbs rails for 100 miles metre-gauge ...	75
Improving signalling arrangements at road-side stations between Harihar and Bangalore and at Marikuppam	45
Fixing Roberts Key Staff Instruments from Kengeri to Mysore and Yesavantapur to Dodkurgod	14

Improving watering arrangements at Banasandra and Bidadi, Harihar, Arsikere and Shivani	30
Extending III Class waiting-room at Seringapatam and the Indian refreshment-room at Harihar.	5
Improvements at Davangere and on some of the Kolar Gold Fields Stations and level crossings	23
Fitting 22 bogie thirds and 15 four wheeled thirds with latrine accommodation.	13
Three additional bogie thirds and two additional brakevans	22
Thirty covered goods waggons	78

It will be seen that almost all the important works are such as lead to greater safety and convenience of the public who make use of the railway.

75 The net profit to the state from the working of open lines, after deducting all charges and interest on both state and borrowed capital at 4 per cent, is worked out in the subjoined statement :—

	Actuals, 1912-13	Revised, 1913-14	Budget, 1914-15
	Rs.	Rs.	Rs.
Net receipts	16,27	16,90	15,00
Deduct—			
Interest on loan	7,17	7,20	7,20
Direction and Accounts	15	18	20
Total ...	*7,32*	*7,38*	*7,40*
Profit	8,95	9,52	7,60
Capital outlay by the State (exclusive of loan amount)	88,04	90,55	93,04
Interest on the above at 4 per cent	*3,52*	*3,62*	*3,72*
Net Profit	5,43	5,90	3,88

76. The percentage of net receipts on total capital outlay in respect of the Mysore State Railways is worked out below. Taking the figures for 1912, the latest year for which information in respect of all the lines is available, we find that this percentage varied from 1·17 to 11·86 over the different metre gauge systems in India. It will therefore be seen that, if metre-gauge railways in India be divided into three classes, good, fair and bad, in respect of earning capacity, the Mysore system with its percentage between 6 and 7 may be placed in the middle class.

	Actuals, 1912-13	Revised, 1913-14	Budget, 1914-15
	Rs.	Rs.	Rs.
Gross Receipts...	37,22	42,00	38,00
Deduct—			
Workng expenses (not including percentage of profits paid to the Railway Company)	*19,95*	*24,37*	*22,23*
Net Receipts ...	17,27	17,63	15,77
Total Capital Outlay ...	252,87	254,38	256,87
Percentage of Net Receipts on Total Capital Outlay ...	6·83	6·93	6·14

77. *State Railways—Construction.*—The provision made in the budget estimates for the ensuing year for the construction of new lines is 46 lakhs and it is proposed to distribute the amount over the several works in this way :—

State Lines.

Mysore-Arsikere Railway	30,00
Tarikere-Yedahalli Tramway	0,50
Bangalore-Hosur Railway	5,50
Total ...	36,00

Guaranteed or Subsidised Lines :—

Kolar-Chikballapur Railway and Bangalore-Chikballapur Railway ...	9,00
Shimoga-Tirthahalli-Sagar	1,00
Total ...	10,00

As regards the Mysore-Arsikere line plate-laying will be in progress from both ends during 1914-15 and it is hoped that about half the whole work will be completed. A part of the rolling stock will also be got ready. The line will be opened for goods traffic between Mysore and Belagola station for the Cauvery Reservoir and passengers will also be probably carried on that section before the end of the ensuing year. There is therefore every likelihood of the grant being fully used up. The Tarikere-Yedahalli line will be complete and in full working order from an early part of the next year. The revenue estimates of this railway for gross earnings, working expenses and net earnings to the extent of 39, 22 and 17 respectively when sanctioned by Government will be incorporated in the budget estimates. All work prior to the construction stage is complete in respect of the Bangalore-Hosur Railway and there will be no difficulty in working out the grant provided for it, if sanction to begin work is received early.

78. *Guaranteed and other Railways—Open lines.*—For convenience, I shall deal in this section, rather than in the section on local funds, with the Railway transactions, of our District Boards which are so far the only local bodies in the State financially connected with railway or tramway questions. To the Kolar District board belongs the honor of being first in the field in this respect. The Bowringpet-Kolar Railway was opened on 15th December 1913, when His Highness the Maharaja formally completed the permanent way by fixing the last bolt to the line and started the first passenger train at the Kolar station, amidst a scene of great entusiasm. Replying to the address of the District Board on that occasion His Highness the Maharaja was graciously pleased to observe :—"I am particularly glad to perform the opening ceremony because I wish to show my appreciation of the public spirit which has prompted the people of this District to construct this much needed line from funds subscribed among themselves. As the pioneers of Local Fund railways in Mysore you deserve the warm support of my Government, and I earnestly hope that when you have shown the way, other districts will not be slow to follow. There can be no sounder investment for a Local Board than a railway, and I trust that you will reap the reward of your enterprise. My Government recognises the importance of the extension of this railway to Chintamani and Chikballapur, and if the Kolar District Board can see its way to raise sufficient funds to meet half the cost of the whole line from Bowringpet to Chikballapur, my Government will be prepared to advance the balance of the money required."

79. The line from Bowringpet to Kolar is now open for booking of passengers and goods, both local and through, to stations on the Madras and Southern Maharatta and South Indian Railways. In the few months that the line has been working, it has shown promise of great usefulness and profit. The average earnings per mile per week has risen from about Rs. 30 in January to about Rs. 70 in May, the rise being noticeable both under coaching and goods. The highest weekly earnings was for the week ending 11th April 1914 during which the average earning per mile came to Rs. 85. Out-agencies for goods have been or are soon to be opened at Srinivasapur and Chintamani, and in spite of the short length of the line and the consequent competition of bullock carts, the average earnings from goods traffic alone have exceeded Rs. 20 per mile in some weeks since March.

80. That the Bowringpet-Kolar Railway is not actually working at a profit is due to the fact that the working expenses on an isolated line of 10·92 miles under a separate management is necessarily very high. The working expenses, according to the authorization roll for 1914-15 work up to about Rs. 36,200 and interest at 4% on a capital outlay of 3 lakhs amounts to Rs. 12,000. According to this calculation the average earnings per mile per week must rise to Rs. 85, before the line can become self-supporting. At the rate at which the earnings are improving, this standard does not seem incapable of attainment even under the present circumstances. But the working expenses per mile will be considerably reduced as soon as the Kolar-Chikballapur section is opened for traffic; and the earnings will go up at the same time. There is little doubt that when the whole loop from Bowringpet through Kolar and Chikballapur to Bangalore is in full working order, the Bowringpet-Kolar Railway will become a profitable concern. In the meantime, in consideration of the high working expenses over the short length, Government have agreed to work the line for a percentage of the gross earnings equal to the percentage of working expenses on gross receipts over the Mysore State Railways. This arrangement is to remain in force until the completion of the half year in which the extension between Kolar and Chikballapur shall have been opened for passenger traffic for 12 months or up to 30th June 1917 whichever is earlier. It may be mentioned that, with this concession, the District Board will have a return of about 6·8 per cent on its capital during the ensuing year.

81. *Guaranteed and other Railways—Construction.*—As foreshadowed in the speech of His Highness the Maharaja referred to above, the scheme of extension of the Bowringpet-Kolar line up to Chikballapur *via* Srinivaspur and Chintamani was earnestly taken up by Government and all stages previous to the commencement of construction have been completed. This Section will be 52·82 miles on 2′ 6″ gauge and the estimated cost is 14,90. This forms the second link of the Bowringpet-Kolar District Board Railway. The Board have been authorised to raise a debenture loan aggregating Rs. 4 lakhs for this link, the balance being found by the State and the whole concern from Bowringpet to Chikballapur forming a joint concern. The project is now before the Railway Board pending sanction. It is proposed to start construction work on receipt of sanction and complete it during the next official year. The working will be in the hands of Government for the present in conjunction with the Bangalore-Chikballapur Light Railway.

82. Of private enterprise in the matter of railway construction, the only instance so far is the Bangalore-Chikballapur Railway. I exclude from consideration in this connection the Shimoga-Kumsi Tramway, a 2 feet gauge line of about 30 miles constructed by the Mysore-Manganese Co., Ltd., and now owned by the Workington Iron and Steel Co., Ltd., as it is not open for the conveyance of passengers, though goods belonging to the general public are carried on it. Ever since the construction work of the Bangalore-Chikballapur line was placed by the Company in the hands of the State Railway Construction Department in March 1913, rapid progress has been made and it is hoped that the line will be ready for opening for goods traffic between Yelahanka and Davanhalli in a few weeks and for passenger traffic also on the same section by November. The section from Devanhalli to Chikballapur is expected to be open both for goods and passengers by January 1915. Work on the Bangalore to Yelahanka section on this line is of a complicated nature, as the existing metre gauge line is to be utilised by putting in a third rail between Yelahanka and Yesvantpur, and it is not possible to say exactly when this section will be open, so that trains from Chikballapur may run through to Bangalore.

The cost of construction and equipment of the full length of 37·95 miles on the 2′ 6″ gauge according to the sanctioned estimate is 13·73 lakhs but some saving is now expected on this estimate. This reduction in capital outlay and the certainty of early connection of the Chikballapur terminus with Kolar on the other side, remove all doubts about the financial success of this guaranteed line and the first local joint-stock railway enterprise may at last be regarded as being on a fair road to completion. The Bangalore-Kunigal Steam Tramway project, given up by the Bangalore District Board, is now again in the hands of the promoters who originally conceived the idea and their application is now receiving the attention of Government.

83. *Miscellaneous.*—When dealing with the changes in budget heads newly introduced I alluded to the elaboration of sub-heads under *Railways.* This has been rendered necessary on account of the variety of financial arrangements and interests in respect of the lines which are expected to be working within the State in a short time. In the first place we have the State lines worked by the Madras and Southern Mahratta Railway Company. Then we have in the Bowringpet-Kolar line a guaranteed District Board Railway which is worked by the State. In the Tarikere-Yedahalli Tramway we have a third kind, *viz.*, a State concern worked by the State itself. The Bangalore-Chikballapur Railway, now approaching completion with a rapidity which atones to some extent for the slackness of the promotion stage, will present yet another variety of combination of financial interests, namely, a guaranteed company line worked by Government. It is needless to say that, to record the financial transactions connected with these various kinds of concerns with clearness, new heads are necessary in our accounts and such heads have accordingly been opened.

84. There is another matter connected with railway policy and railway finance of the State to which I may invite attention. During the current year a set of rules was framed and published specifying the concessions that the Government were prepared to sanction to promoters of light railways in the State. The main features of the concessions are a 30 years' guarantee of 4 per cent and providing all lands permanently or temporarily required free of charge. If a line works at a profit of over 4 per cent, half the profits in excess of that limit will go to the State. When a railway is constructed in a district which has an accumulated fund of railway cess imposed under clause 1 (a) of Section 20 of the Local Boards Regulation, all guarantee payments will be made out of such railway cess fund as far as available and the balance from State funds. Of course, in such a case, the share of surplus profits coming to the guarantor will be divided between the District Fund and the State funds in proportion to the contribution made by each.

EXPENDITURE.

85. Briefly analysed into heads suitable for purposes of study and comparison the expenditure figure of the budget stands as follows:—

Ordinary Account	255,20
Cavery Power Account	8,26
Special Capital Grants	95,17

I have already dealt with the Special capital grants aggregating 95, 17. The transactions of the Cauvery Power Scheme will be taken up in a separate section. For the present we shall concern ourselves with the provisions made in the ordinary account amounting to 255,20. The corresponding figure in the accounts for 1912-13 is 216,95 and in the revised estimates for the current year 229,34. When it is remembered that the figure for the current year includes a sum of about 3 lakhs on account of special miscellaneous expenditure, it will be seen that the standard of expenditure provided in the estimate for 1914-15 is about 29 lakhs higher than that in the revised estimates for 1913-14.

86. Of the thirteen groups A. to LL. into which the budget heads on the expenditure side are divided, this increase of 29 lakhs comes chiefly under four *viz.*, D. Salaries and Expenses of Civil Departments, E. Miscellaneous Civil Charges and J. and K. Public Works. These alone account for an increase of 22·50 lakhs *viz.*, Civil Departments 11·96 lakhs and Miscellaneous Civil Charges 4·30 lakhs and Public Works 6·24 lakhs. The other groups also show some fluctuations though to a smaller extent. I shall now rapidly take you through these heads explaining the more important fluctuations and noticing the special provisions made in respect of the several department.

DIRECT DEMANDS ON REVENUE.

87. The expenditure included in this group relates to refunds of revenue and charges in respect of collection. Under *Refunds* the disbursements are going down every year since 1911-12 owing to the settlement of outstanding claims in respect of Excise revenue, but some cases are still under consideration and the provision of

1,85 under *Refunds and Drawbacks* is still in excess of the normal amount. In respect of charges on account of Land Revenue, there is noticeable increase under District Administration on account of revision of the scale of pay of Taluk and District Establishments. In the Forest Department the charges are classified under two principal groups, *viz.*, *Conservancy and Works* and *Establishment* and the scale of expenditure provided for each of these groups in the estimates for 1914-15 is much in advance of the revised estimates for 1913-14 (allowing for Khedda charges in the current year under Conservancy and Works, and the actuals of the previous years. Under *Excise* the increase in expenditure provided is under Superintendence and is small when compared to the magnitude of the revenue. The expenditure under *Stamps* and *Registration* shows only normal expansion corresponding to the increase of revenue from these sources.

Mining Charges and Interest.

88. The provision for *Charges Against Mining Revenue* in the estimates for 1914-15 shows no decided fluctuation from the sanctioned scale of expenditure during the current year. Under *Interest*, provision has been made for larger balances expected to be at the credit of Savings Banks deposit accounts and of the State Life Insurance Fund as compared with the present balances. The amount of income-tax paid by the State on interests from investments amounted to over Rs. 12,000 per annum so recently as 1907-08 and the amount would have been much more in subsequent years with the rise in investments; but practically the whole of this loss has been avoided by adopting methods under which exemption from income-tax is secured in respect of the bulk of our investments.

Civil Departments.

89. Under the head *General Administration*, the budget provision for 1914-15 is about the same as the revised estimate for the current year. But this equality is only apparent, the figures for 1914-15 representing in reality a much higher standard of expenditure. The explanation of this is that while the figure for 1913-14 includes a sum of 3,72 for reception and entertainment of guests, that for 1914-15 includes a much lower grant under this sub-head, *viz.*, 1,61. Of the several minor heads included in *General Administration*, there is increase under Economic Conference for provision relating to sericultural development and for itinerant lecturers; under Civil Secretariats for efficiency audit and record sorting establishment and for the staff attached to the Extraordinary Member of Council; and under Comptroller's office for provision for training promising young men in the higher branches of accountancy, banking and actuarial science. Under *Courts of Law* there is special provision for revision of pay of ministerial establishments in the Judicial department and for increase of remuneration to the Government Advocate. The grant under *Jails* contains extra provision for the pay of the foreman and assistant foreman newly sanctioned for the Jail Manufactory and reallotment of the grant for introducing khaki weaving and for manufacturing weights and measures in the Bangalore Central Jail. In the Police department, the higher provision for 1914-15 when compared with that of the previous year is due to the all round increase of pay sanctioned to the men of the police force during the current year and also to the inclusion of an additional grant of about 15 for improving the Police Training School by the appointment of a whole-time Superintendent in charge, by having hostels for the men under training and by other means.

Education.

90. The course of state expenditure classified under Education during the the last three years has been as follows:—

	Budget.	Actuals.
1911-12	11,79 ...	10,72 ...
1912-13	14,47 ...	11,47 ...
1913-14	16,09 ...	13,69 (Revised estimate)
1914-15	18,08 ...	...

A noticeable feature of this statement is the rise in actuals by about 3 lakhs or 27 per cent in a period of two years. The budget figures in the statement indeed show that the Government were prepared for increase of expenditure to a larger extent and at a faster rate. The view which Government take of expenditure on education was well expressed by His Highness the Yuvaraja when, on the occasion of opening the Educational Court in the last Dasara Exhibition, he observed in the course of his speech: "Money invested in education is the best of investments that a nation could make. Our future would largely depend upon this all important question of education."

91. One aspect of the Education portion of our budget which has evoked some criticism is the fact that in the last three years there have been considerable lapses. There is no doubt that lapses have been rather large; but those who are aware of the numerous difficulties in the way of rapid development in a matter like the spread of education will be disposed to take a lenient view of the matter. These difficulties are not insurmountable but, in the best circumstances, they take some time to solve; and that time counts from the stage when full financial provision is made and the work is taken up in right earnest. What generally happens is, that new schemes for which provision is made in the estimates of one year are not fully developed that year and a considerable portion of the grants in respect of them may lapse. But in the following year they are in full working order and provision in respect of them is fully utilised. As His Highness the Yuvaraja so aptly observed on the occasion referred to in the foregoing paragraph: "The question of education requires not only the investment of our monetary resources but also our hearts, brains and energies"; and it is a matter of common experience that these latter elements are called into effective activity only when the first is fully provided.

92. The grant of 18,08 for Education in the estimates of the ensuing year includes the following important items of special interest, the provision in each case being shown in round figures:—

Opening Public Libraries	59	
Developing Mechanical Engineering School, Bangalore	33	(Besides in the P. W. Budget for extension of building).
Reorganization of Industrial Schools...	37	
Building grants	22	
Introducing compulsory education for boys in selected areas... ...	25	
Revision of Normal Schools	50	
Opening new Aided Schools	84	
Revision of Girls' Schools at District Headquarters including Maharani's College	20	
Revision of scale of pay of Vernacular Schoolmasters, addition to Inspectorate, clerical staff, etc.	1,03	
For new Village School buildings	1,00	

As some of these schemes may not come into full working order during the course of the year a lump sum reduction of 1,50 is made and a provision of 3,83 made in the budget for the foregoing items. This is calculated to make the actuals correspond more nearly to the budget provision for the major head as a whole.

93. The expenditure on Education from local funds and on educational buildings in the Public Works department must also be taken into account in arriving at the total expenditure on public instruction. To convey a correct idea on the subject of educational expenditure, this total is worked out in the subjoined statement. The figures in the fifth column are carefully calculated so as to prevent overlapping:—

Year	Village School Fund	Other Local Funds	Public Works expenditure on educational buildings	State expenditure as per para 90 but excluding grants to local funds	Total
1911-12	3,29	98	3,05	10,10	17,42
1912-13	4,16	86	2,45	10,80	18,27
1913-14 (Revised)	4,13	97	2,00	12,62	19,72
1914-15 (Budget)	4,40	97	1,27	16,91	23,55

AGRICULTURE.

94. As I have already observed, the Agricultural Department has developed from a minor into a major department during the course of this year. The following figures will show the correctness of this statement :—

Year	Expenditure in the Agricultural Department (in round thousands of rupees)
1910-1911	58
1911-1912	78
1912-1913	62
1913-1914 (Revised Estimate)	83
1914-1915 (Budget)	2,13

The large increase in the estimate for the ensuing year is due to the reorganisation of the department with full staff for scientific work in the chemical and biological sections, for the Agricultural school and for experimental farms. The special items included are :—

Establishing a Dairy and Breeding Station at Hebbal Farm ...	19
Establishing an experimental farm in the cotton zone	32
Establishing an experimental farm in the malnad	30
Special grants for implements, seed and manure	6
Travelling allowance to rural science supervisors	3

INDUSTRIES AND COMMERCE.

95. It was in July 1912 that the Government appointed a special officer as adviser on industrial and commercial matters. In February 1913 a regular department of Industries and Commerce was organized under a Director assisted by a staff of superintendents and assistant superintendents. The budget estimate of the department for the current year aggregated about 89 of which a sum of about 77 is likely to be utilized. For the ensuing year the budget estimates for this department aggregate 1,41. The more important new items included in this amount are :—

Purchase of a steam boiler with accessories for manufacturing high class jaggery	17
Developing weaving factory at Bangalore	19
Developing and working the three existing jaggery factories ...	37

MUZRAI, MEDICAL AND SCIENTIFIC DEPARTMENTS.

96. The scale of expenditure under *Muzrai*, consisting chiefly of grants to chattrams, temples, matts and Mahomedan institutions, provided for in the estimates under consideration, is just a little above the normal level. The slight rise is under Superintendence and in respect of the Ayurvedic College at Mysore. Under *Medical*, provision has been made for acquiring certain buildings for lodging the staff of the maternity at Robertsonpet as well as for extra establishment for that institution. *Sanitation and vaccination* has now been made into a separate major head and the allotment under this head including the plague charges grant of 50 comes to 1,62. Provision has been made in this department for reorganization of the Public Health Department, for training students in sanitary science and for more district sanitary officers. It has also to be noted that the greater part of the grant of three lakhs for village improvements and of one lakh for malnad improvements, provided under 26 *Miscellaneous*, is meant for works and measures likely to improve the sanitation of rural areas.

97. In the departments grouped under the major head *Scientific and Minor departments* there are several special grants. A provision of 24 has been included under Botanical and other public gardens for the improvement of the Cubbon Park in Bangalore and another sum of 30 for improvements to the Lal-Bagh at the same station. An additional provision of 10 has been made under Veterinary and Stallion charges for opening a few more veterinary dispensaries and entertaining additional mobile staff to cope with cattle disease. An allotment has been provided for printing a catalogue of the exhibits in the Government museum in Bangalore. A lump sum addition of 9 is made under Archæological department to meet the cost of a monograph on Chalukyan buildings, preliminary survey in connection with which has been made by a retired officer of the Archæolocal survey of the Government of India. The grant for the Co-operative Societies department is on a much higher

scale than those of previous years, partly owing to a revision of the permanent establishment of the Registrar's office and partly to a larger provision being made on account of pay and travelling allowance of the extra temporary establishment sanctioned *pro rata* according to the number of co-operative societies existing at any time above a prescribed number.

MISCELLANEOUS.

98. The group head Miscellaneous civil charges consists of four major heads. Of these, the provision under *Allowances and assignments under treaties and engagements* is practically an unvarying item *viz.*, about 72 for political pensions and about 13 for the Gumbuz and other establishments at Seringapatam. The expenditure under *Superannuation allowances and pensions* continues to expand and the provision for 1914-15 stands at 8,15 against 7,77 the budget and 7,90 the revised estimates for the current year. The grant under *Stationery and printing* has been kept at the normal figure of 2,10 in the hope that the measures that are being adopted by Government to keep down the volume of printing work in the several departments will be attended with some measure of success. Under the Major head *Miscellaneous* the most important sub-head is *Contributions* under which the provisions in the estimates for 1914-15 aggregate 7·30 as shown below:—

Village Improvement Scheme	3 lakhs.
Malnad Ditto	1 ,,
Mysore City Improvement Trust	2·72 ,,
Miscellaneous	·91 ,,
Total ...	7·63 ,,

A sum of 15 has also been provided under this head for distributing copies of His Highness the Maharaja's portrait to schools and Government offices.

MILITARY.

99. The estimates for the Military department provide for the full complement of officers and men in all the units, for the usual items of establishment and other charges and for enhanced grants for compensation for dearness of gram and ragi and for chenna rations on account of the high prices ruling in the market. A grant of 16 out of the current year's grant of 24 for purchasing rifles for the Barr regiment has been re-provided as also the allotments under Imperial Service Transport Corps for converting pony carts into bullock ones, for purchase of Amrut mahal bulls and for new iron and ambulance carts. An additional grant of 26 has also been provided for revising the pay of officers and men in the Barr infantry.

PUBLIC WORKS.

100. In the estimates for 1914-15 the state grant for public works has been fixed at 36 lakhs distributed as follows:—

Irrigation Major	6,01
Do Minor	3,19
Civil Works	25,85
Military Works	95
Total ...	36,00

Of the sum of 25,85 shown under Civil works, about half is for civil buildings and the remaining half for Communications and Miscellaneous public improvements. Analysed from another point of view, the provision of 36 lakhs stands thus:—

Original Works	18,42
Repairs	11,02
Establishment and Tools and Plant	6,56
Total ...	36,00

101. The following is a list of important public works for which allotments have been made in the budget for 1914-15; it is needless to add that the allotments constitute, in most cases, only a small portion of the estimated cost of each work:—

Projects and works.	Proposed allotment for 1914-15.
Irrigation—	
Improving and extending south channel of Sriramadevara dam, Holenarsipur Taluk	15
Opening out left bank channel from the new Kadlur anikat, Hole-Narsipur Taluk	20
Constructing new tank across Maralwadi stream, Kankanhalli Taluk ...	50
Constructing new tanks, *viz.*, across Kannadavathi river, Nelamangala Taluk; near Dodguli, Kankanhalli Taluk; near Kettuhalli, Closepet Sub-Taluk; near Nerlur Channapatana Taluk; near Gundamagere Dodballapur Taluk; at Rs. 10,000 each	50
Constructing new tanks, *viz.*, across Vrishabavathi river, Channapatna Taluk; at Tippaganahalli, Goribidnur Taluk; at Nidasale, Kunigal Taluk; near Beval, Heggaddevankote Taluk; at Ambligola, Shimoga Taluk; and at Anjanpur or Kunnadavathi, Shimoga Taluk; at Rs. 20,000 each	1,20
Constructing a new tank across Markandeya stream near Rajamanahalli, Bowringpet Taluk	30
Constructing a new tank across the Vadli, Hunsur Taluk	25
Feeding the tanks in Tarikere from Naganna anikat, Tarikere Taluk ...	18
Buildings.—	
In Bangalore—	
Extending Public Office Buildings	1,50
Constructing Law Courts Buildings	1,00
Constructing quarters for the Professors of Central College	20
Constructing a new Girls' School at Chikpet	6
Constructing a Public Library	5
Constructing a General Record Office	5
Constructing a Vaccine Institute in Basavangudi	50
Constructing quarters for the Minto Hospital staff	10
Improvements to Central Jail	40
Extension of Revenue Survey Office and construction of Inam Superintendent's Office	5
Improving and extending Public Works Workshop	10
In Mysore—	
Additions to Chamarajendra Technical Institute...	10
Constructing General Hospital	90
Constructing new Hindu Guests' Quarters	20
Constructing quarters for Representative Assembly members ...	18
Reconstruction works in the Palace	10
Constructing an office block to the new Palace	50
Improvements at the North Gate, Fort	43
Constructing residential block to the new Palace...	53
Constructing quarters for the Local Service Regiment	45
Buildings.—contd. At other places—	
Constructing Taluk Cutcherries at Anekal, Sidlaghatta, Goribidnur, Chitaldrug, Sagar and Honnali	37
Constructing a High School at Hassan	8
Constructing quarters for Police constables at Robertsonpet and Nandidroog	22
Constructing Barr Line officers' quarters at Chikmagalur	20
Communications—	
Constructing bridges on the 18th mile of Kadapa road	10
Constructing bridge across Northern Pennar river near Goribidnur ...	10
Widening the Thalaguppa Aralagode Bankole road	50
Widening the bridlepath from Kagurghat head to the provincial frontier at Happarige road	18
Miscellaneous Improvements—	
Extensions, drainage and other improvements of the Bangalore City ...	1,62
Improvements to Vanivilas Water Works, Mysore	40
Constructing marble canopy over the statue of His Highness the late Maharaja of Mysore...	15

	Proposed allotment for 1914-15
Laying out the new extension of Davangere town	50
Drainage scheme for Harihar and Chikmagalur towns	30
Drainage of Imperial Service Lancers' Lines	7
Improvements to Nanjangud town	50

102. It will be seen that during the ensuing year the Department of Public Works will be responsible for expenditure to the extent indicated below :—

State grant under Public Works	36,00
Capital outlay, Kannambadi Reservoir proper	29,00
Do Subsidiary works ...	8,50
Irrigation Cess Fund	2,52
Total ...	76,02

Besides this, there will be the construction of village school buildings out of the grant of 1,50 provided in the State and Village School Funds budgets and works executed out of Municipal and Local Fund grants tranferred to the public works department. Taking these items on the basis of past actuals at about 5½ lakhs, the expenditure which the Public works department will have to control in 1914-15 may be put down at about 81½ lakhs.

Cauvery Power Scheme.

103. The total revenue expected from the Cauvery Power scheme during the year 1914-15 is 17,58 as shown below :—

Kolar section	14,30
Bangalore City section	1,61
Bangalore Civil and Military station	90
Mysore city	77
Total ...	17,58

In estimating this revenue, allowance has been made for the low receipts on account of May and June which are due early next year, owing to the shortage of water in the river under circumstances already explained. But for the necessity of such reduction, the estimate could have been placed at 19,00. During the ensuing year it is expected that about 1,000 H.P. more will be supplied to the Kolar mines and increase of revenue is also expected from supply of power to some mills and to the Electric tramways in Bangalore and also to the Cauvery Reservoir Works. Normal expansion of revenue from increased demand for power for lighting purposes is also expected in all the centres.

104. The ordinary expenditure aggregates 8,26, made up thus :—

Working expenses	4,44
Depreciation	2,95
Capital works on the open system	87
Total ...	8,26

The Depreciation Fund will amount to about 28,50 against a total capital outlay of 84,38 at the end of the current official year. The items of capital works on the open system provided for in the budget are :—

Name of work.	Allotment for 1914-15.
Constructing eight additional blocks of cooly lines at Sivasamudrum ...	12
Reconstructing second set of two operators' quarters at Sivasamudrum ...	9
Constructing a musafirkhana at Sivasamudrum	8
Constructing a Hospital at Sivasamudrum	15
Interior power and lighting, Bangalore City	15
Do Civil and Military station, Bangalore ...	18
Do Mysore city	10

105. The expenditure figures I have just mentioned refer only to the open system comprising the first three installations. The progress of work in connection

with the fourth installation, now in course of erection, has already been referred to. By the end of this year an outlay of 8,88 will have been incurred on this work and the installation will be completed during the ensuing year. The capacity of Sir K. Sheshadri Iyer Power Station will then be approximately as follows :—

	Horse Power.
1st Installation	6,000
2nd Installation	5,000
3rd Installation	2,000
Due to improvement of Nozzles and runners	1,000
4th Installation	4,000
Total ...	18,000

In erecting the fourth installation, however, ground space has been provided for another unit of 2,000 horse power so that the capacity of the station can be easily raised to 20,000 horse power whenever such a course is considered desirable.

106. As the Cauvery Power Works are at the present time passing through an important stage of development—both by the additional installation and by the construction of the Kannambadi Reservoir which will effectively protect the works against a failure of water-supply—it may not be out of place here to indicate very briefly the most prominent land-marks in the history of this great commercial undertaking and give a summary of its financial results from the beginning. The deputation of a state officer in August 1899 to Europe and America for arranging for tenders for the supply of hydraulic and electric plant and for completing negotiations with the gold mining companies in London, marked the transition of the scheme from the region of speculation and discussion to the stage of practical action. The first installation, intended wholly for supplying power to the Gold Fields, was completed in July 1902 at a cost of about 42½ lakhs. The second installation, meant for supplying additional power to the Gold Fields and also for power and light to Bangalore, was finished in 1905 with the exception of the lighting installation for the Civil and Military station which was completed in December 1907. The total cost of this installation was about 19½ lakhs. The third installation, for supply of power partly to the Kolar Gold Fields and partly to Mysore city, was completed in 1908 at a cost of about 15½ lakhs. The total capital expenditure up to June 1913 was about 83,47. The gross revenue from the scheme in 11 years from 1902-03 to the end of 1912-13 was 173,60. Deducting from this, working expenses amounting to 31,85, depreciation charges aggregating 25,58, and interest on capital at 4 per cent coming up to 29,27, the net result works out to a profit of 86,90.

Local Funds.

107. The subject of Local Fund finance is one of great importance. Financially, when revenue derived from special sources is devoted to special objects and not to the general purposes of the administration, the revenue so devoted forms a Local Fund. But from the administrative point of view a Local Fund has another important aspect. It is generally recognised that Local Funds go along with local self-government; and those who contribute to the revenues of a Local Fund may claim to have a voice, through duly elected representatives, in the management of such funds. The system of Local Fund finance in Mysore has got rather antiquated from this as well as from other standpoints. The expenditure of some of these funds, for example the Village school fund, has risen in late years to a level far above the standard of revenue allotted to it and radical changes have become necessary to secure equilibrium. The subject was discussed by the Economic conference in June 1913 and in accordance with a resolution sent up by that body the Government appointed, in May 1914, a special committee of the conference to consider the whole subject of local fund finance and submit practical recommendations. The committee appointed by Government to suggest reforms in the management and allotment of money in respect of the Irrigation cess fund have also submitted their report and orders of Government, introducing satisfactory changes in this direction, may be shortly expected.

108. The several Local Funds materially supplement the state fund expenditure in many directions, specially under Public works, Education, Sanitation and Medical relief. The following statement shows the opening and closing balances with the estimated receipts and expenditure of these funds during the year 1914-15. The figures for the ensuing year are those proposed by the local bodies and have not yet been sanctioned by Government.

Name of fund	Estimated balance on 1st July 1914	Estimated receipts, 1914-15	Total	Estimated expenditure for 1914-15	Estimated balance on 30th June 1915
	Rs.	Rs.	Rs.	Rs.	Rs.
1. Local Funds, General ...	2,72,611	1,86,320	4,58,931	1,84,900	2,74,031
2. District Funds ...	5,17,004	8,66,167	13,83,171	11,35,479	2,47,692
3. Kolar Gold Fields Sanitary Board Funds ...	63,662	75,180	1,38,842	1,07,011	31,831
Total 2 and 3 ...	5,80,666	9,41,347	15,22,013	12,42,490	2,79,523
4. Irrigation Cess Funds ...	1,34,052	2,61,980	3,96,032	2,52,520	1,43,512
5. Village School Funds ...	−24,906	3,84,646	3,59,740	4,40,205	−80,465
6. Municipal Funds ...	9,21,019	11,74,093	20,95,112	13,90,617	7,04,495
Total ...	18,83,442	29,48,386	48,31,828	35,10,732	13,21,096

109. The total estimated expenditure from the several funds enumerated above amounts to 35,11. Of this, roughly speaking 12,69 or 36 per cent is for public works, 4,91 for education, 3,70 for sanitation and 1,97 for medical relief. It has to be mentioned, however, that the State budget and the Local Fund budgets overlap each other to some extent. About 93 of the expenditure of Local Funds on medical relief is shown in the State Budget as contribution receipts under *XV Medical* and about 2,17 out of the State expenditure under *18 Education* is shown as a receipt in the budget of the village school fund. Such contribution items have to be allowed for in calculating the total expenditure in any department in both the State and the Local Fund budgets taken together.

110. The estimated expenditure during the current year, under the two main heads of Local Funds, *viz.*, District Funds and Municipal Funds exceeds the estimated income and is due to provision being made for incomplete public works out of the opening balance of these funds. Both under income and expenditure, the budget figures of these funds show a distinct advance over the corresponding figures of the last year. The increase of revenue under Municipal Funds is mainly due to the regrant of the registration and surcharge fees on arrack shops in the Bangalore and Mysore cities amounting to about 25, in accordance with the Government order of October 1913, and to the large demand for building sites in the town of Davangere the income from the sale proceeds of which is estimated at 60. The increase under expenditure is due to the special provision made for the water-supply and drainage scheme in that town.

111. As regards District Funds, the increase under revenue is general in all the districts while a special item of 25 has been included in the Kolar district on account of the Bowringpet-Kolar Railway earnings. The increase of expenditure of 2,47 over the budget figure of last year is due to large provision under public works being made in all the districts corresponding to the increase of revenue, and also to a special provision on account of working expenses, etc., of the Bowringpet-Kolar Railway.

112. One noticeable feature of the Local Fund transactions during the current year is that some of the local bodies have arranged to invest their surplus funds in the Mysore Government securities and in deposits in the newly constituted Mysore

Bank. The Bangalore City Municipal Council has been permitted to lodge even its ordinary cash balance in that bank under certain conditions and conduct its cash transactions through it.

Debt Head Transactions.

113. Besides the receipts and disbursements appertaining to the various service heads, a large volume of transactions under debt heads takes place in our treasuries. Thus while the real revenue and expenditure of Government during the year 1914-15 are expected to be 284,92 and 358,63 respectively as already stated, the volume of transactions including debt heads in our treasuries is expected to be well above 10 crores. These debt head transactions, though they do not affect the net assets of Government after allowing for all liabilities, determine to a great extent the amount of ready cash with Government. In some years the debt head transactions bring in a large amount of cash to our treasuries with, of course, a corresponding increase in liabilities; while in other years they may result in a large outgoing of cash, the liabilities of Government being correspondingly reduced. During the year 1914-15 the debt head transactions are expected to result in a net receipt of 45,02 contributed to the extent noted below by each group head :—

	Net receipts + out goings −
Unfunded debt	+ 4,35
Permanent debt	− 10
Deposits and advances	+ 5,29
Advances and Loans	− 46
Guaranteed Railways	+ 4
Net inflow of cash under ordinary debt heads	+ 9,12
Temporary investments	+35,90
Total ...	+45,02

114. Under *Unfunded debt*, the most important heads are the State Life Insurance fund and Savings Bank deposits, the transactions under each of which are expected to result in an inflow of cash to the extent of about two lakhs. In respect of *Permanent debt* an outgoing of 10 is expected as some papers relating to the old debenture loan of 1882 may come up for discharge. In the group *Deposits and Advances* are recorded the transactions of the various special funds such as the Famine Insurance Fund, the State Loan Sinking Fund, Cauvery Power Scheme Depreciation Fund, etc., and also those of all local funds and other bodies which have only a deposit or drawing account with our treasuries. The estimated net result of the numerous transactions under this head is an inflow of cash to our treasuries to the extent of 5,29. Under *Advances and Loans* and *Guaranteed Railways* the net results are expected to be a small inflow in the former case and a small out-going in the other. Temporary investments show a positive result of 35,90 which means that such investments are expected to be converted into cash to this extent during the ensuing year.

Ways and Means.

115. The ways and means arrangements for the ensuing year will be as shown below :—

Estimated opening cash balance on 1st July 1914	100,19
Add surplus under service heads	21,46
Add net inflow of cash under ordinary debt heads	9,12
Realization of temporary investment	35,90
Total ...	166,67
Deduct capital outlay on large productive works	95,17
Estimated closing balance on 1st July 1915	71,50

It is thus seen that realization of temporary investments to the extent of 35,90 only is likely to be required during the year. Such investments of the State at the beginning of the ensuing year amount to over 65 lakhs, so that the question of ways and means does not present any difficulty.

General Financial Situation.

116. It will be seen that the budget for 1914-15, providing for a surplus of 21,46 after a very liberal provision under all the service heads, indicates a satisfactory financial situation. Even if a deduction of about 12 lakhs be made from this figure, on account of arrears of revenue of the Bangalore Assigned Tract included on the receipt side, the position is one of fair surplus. When it is remembered that this result is arrived at on the basis of a decidedly cautious estimate under some of the important heads of revenue such as *Forest*, *Excise*, *Railway* and *Cauvery Power Scheme*, and after setting apart usual appropriations aggregating 3,33 towards famine insurance and the State Loan Sinking Fund, no room for doubt is left as regards the soundness of the financial situation and about the general prosperity of the State.

CONCLUSION.

117. Sir, I have now finished my explanation of the budget and I shall conclude with a few observations in hopeful anticipation of the discussion which, with your permission, we are to have on Tuesday the 7th July 1914. I knew a very learned Pundit in Mysore, hailing from the side of Chamrajnagar—a man of the good old moving library type which is fast disappearing—who wrote a most meritorious book in Sanskrit poetry and added a verse at the end of it containing an admirable sentiment. He said, "Those who read my book, appreciate the trouble I have bestowed on it and praise it, to them *namaskara*; to those who read my work carefully and criticise it and expose its defects and deficiencies, to them also *namaskara*; but those who simply take my book and put it aside in apathy and indifference—well, I do not want even to hear their names and see their faces." Sir, in this distinguished assembly I cannot be as blunt in my expression as the revered Pundit, but it would be an affectation to deny that my sentiments on this occasion are somewhat similar. We welcome fair and candid criticism; whether the critics' views agree with or differ from ours will not affect the cordiality of such welcome. We want financial questions to be looked at from all possible angles of vision; we want the current of public opinion to illuminate the path of our financial policy and lend power and energy to our financial operations and activities. It was only the other day that the highest authority on public finance in India remarked that it is impossible to produce a budget which will satisfy all in all its details; in a field so vast and with so many points of contact with varied interests as public finance, there must always be room for considerable difference of opinion. All that we can do is to discuss points that arise in a frank and friendly spirit; and we may consider ourselves amply rewarded if, as the result of such frank discussion, we can feel that, each of us, according to his light and abilities, has done his best to secure the object which we all have in view. That object, I need hardly add, is to lay out the financial programme for the year so as to ensure the greatest good to the greatest number of people of this country. And this, in our case, is identical and synonymous with the best service done to him who is so keenly solicitous of the welfare of the millions entrusted to his charge—the Gracious Sovereign who inspires our thoughts and guides our actions with such loving interest, His Highness the Maharaja of Mysore.

The meeting then terminated.

By Order,

S. P. RAJAGOPALACHARI,

Secretary, Mysore Legislative Council.